



Eurofound

Social dialogue in micro and small companies



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Research project: Social dialogue in micro and small companies

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Executive summary

Introduction

Micro and small companies constitute the backbone of private business in Europe, accounting for nearly 99% of all enterprises, more than half of total employment in the private sector and an even greater proportion of new jobs.

Despite their crucial place in the economy, there has been little research on micro and small companies, particularly in terms of the implementation of fundamental workers' rights – such as health and safety at work – and the positive role of social dialogue in striving for good working conditions and industrial relations.

Given this knowledge gap, Eurofound undertook a research project aimed at investigating industrial relations and social dialogue in micro and small companies. The research was based on various information sources, including a review of Eurofound's earlier research and other literature on the topic, a comparative evaluation of contributions from 28 national correspondents and 10 case studies of good practice in micro and small companies in five countries.

Policy context

The European Commission has in recent years highlighted the important role of small companies for economic and employment growth, notably in its 2012 Communication 'Towards a job-rich recovery'. With a view to 'unlocking growth potentials', and in particular since the adoption of the Small Business Act in 2008, the Commission has been paying increasing attention to the specific needs and requirements of small companies. Recent initiatives have been aimed at minimising the regulatory burden, introducing a lighter legislative regime for small companies and putting forward the idea of an 'SME test' to determine the potential effects on SMEs of legislative processes.

At the same time, the Commission and other EU-level institutions (such as the European Agency for Safety and Health at Work – EU-OSHA) have raised concerns around the implementation of fundamental workers' rights that are set out in the 1989 Framework Directive on Health and Safety, regardless of the size of the company, or in terms of the 2002 Framework Directive on Information and Consultation, which in most EU Member States also covers companies with fewer than 50 employees.

Key findings

The research findings confirm the specific features of industrial relations in micro and small companies, highlighting the important role of informal relationships between owners/managers and employees and the lack of formalised structures and practices of interest representation and social dialogue, collective bargaining coverage and collective representation in general.

Micro and small companies are not a homogeneous group when it comes to industrial relations and social dialogue. Micro companies are different from small companies because of the sharing/rotation of workplace activities, and the strength of social ties outside the workplace – such as family, ethnic and community – that shape their internal industrial and social relations as well as the internal organisation.

The findings reveal that while the majority of EU countries (22 out of 28) have established regulations on workplace interest representation and formal structures of social dialogue that also include micro and small companies, the incidence of formal social dialogue structures in companies with fewer than 50 employees is generally low, albeit with significant variations between countries. Nevertheless, the coverage of micro and small companies by collective bargaining agreements is higher, although this is heavily determined by the degree of centralisation of national bargaining systems.

With regard to more recent regulatory changes, the report identifies contradictory trends. While two countries have lowered the thresholds for employee representation, especially on occupational safety and health (OSH) issues, two others have moved in the opposite direction. In three countries, the social partners have extended the scope of territorial-level OSH workers' representation. There are contrasting policies regarding regulatory changes: some countries seek to lift administrative and other burdens from micro and small companies, while others aim to increase the coverage of micro and small companies by structures of social dialogue and collective representation. The report shows that 'soft' measures – such as OSH guidelines or toolkits targeting micro and small companies – have been by far the most widespread action in recent years.

The company-based case studies, carried out in five European countries, point to a number of common features, drivers and factors of successful practice of social dialogue in micro and small companies. Bilateral discussion and communication, characterised by the absence of formal structures of interest representation, emerges as the most common form of social dialogue in micro companies. In the small company cases, however, good practice was characterised by more formalised practices of consultation or even negotiation. In all the cases, the analysis shows that the concrete forms and institutions for general employee representation are essentially shaped by the specific national frameworks, such as works councils, cooperation committees, trade union bodies or territorial representation structures.

A key finding of the report is that social dialogue in small companies is heavily influenced by the national frameworks, cultures and traditions of industrial relations, and also reflects general conditions, such as membership of employers' and trade union organisations or professional bodies that operate at territorial level. Furthermore, the local organisation of interests and collective practices proves to be a crucial external factor for good practice in social dialogue.

However, legal and other forms of regulation, while important, are not the decisive factor of influence. The most important driver is the leadership and management culture which is essentially driven, especially in micro companies, by the owner of the company. The study shows that social dialogue and a more participation-orientated industrial relations culture seems to reflect a 'high road' and 'best in class' business model that is based on the quality of the product or service delivered, as well as on solid customer orientation and satisfaction.

Policy pointers

- Both micro and small companies differ significantly from larger companies in industrial relations and in formalised structures of industrial relations, OSH and social dialogue: good practices of social dialogue are characterised by open and trustful relationships between employers and workers established around a common set of interests.
- The special features of small companies vis à vis larger companies regarding financial and other resources result in a greater need for external structures of support, information and advice.
- In view of the limited company-specific resources, social dialogue and collective agreements at local, regional and sector level are much more important for micro and small companies than for larger ones. A crucial factor for good practice and success in this context is the proximity of external actors – the closer and more direct the relations are, the better the results. These issues need further, more in-depth and comprehensive qualitative research, especially from the perspective of their impact on working conditions.
- Greater research also seems appropriate in the context of the debate about lifting the administrative burden for SMEs. The interviews with employers and social partner organisations show that the existing regulations, including regulations on OSH, are not regarded as a particular burden. At the same time, national and European actors should be well aware that the implementation of regulatory requirements for micro companies requires proportionally far more resources and much greater effort than for larger companies.

Background and aims of the study

Micro and small companies account for more than half of employed people in Europe but they have hardly been addressed by industrial relations research so far.¹

There is a particularly significant knowledge gap regarding industrial relations and social dialogue practice in these two size groups.

At the same time, social dialogue, and in particular the right of employees to information and consultation, is seen as an important cornerstone of the values of the European social model and also a fundamental social right of workers in the EU, according to the Charter of Fundamental Social Rights.² Research indicates that employee involvement through established employee representation structures may contribute to the development of increased communication, cooperation and commitment, and to the improvement of working life and economic performance; and fruitful dialogue between employers and employees may increase the legitimisation of company-wide business decisions and create trustful employment relations. Successful information and consultation rights may contribute to better working conditions, including occupational safety and health (OSH) conditions.

Consultation and participation of workers is central in the overall structure of the Framework Directive 89/391/EEC on the introduction of measures to encourage improvements in the safety and health of workers at work (hereafter, 'Directive 89/391/EEC').³ The Directive calls for consultation and participation of workers: 'Employers shall consult workers and/or their representatives and allow them to take part in discussions on all questions relating to safety and health at work.'⁴ The objective of the Framework Directive is to ensure dialogue and balanced participation between employers and workers with a view to adopting measures necessary for the protection of workers against accidents at work and occupational diseases.

SMEs and, in particular, micro and small companies are 'below the radar' of industrial relations research, as mentioned above. This has recently been highlighted again by the European Commission: 'There is also a need to look more in depth at the issues related to social dialogue in SMEs taking into account the specific situation and needs of the latter' (European Commission, 2013a, p. 38).

Against this background, the 2012 work programme of the European Foundation for the Improvement of Living and Working Conditions (Eurofound) included a project on 'Social dialogue in micro and small companies'. Building on

¹ According to the European Commission's definition, micro enterprises are those with fewer than 10 employees with a turnover or balance sheet total of less than €2 million while small enterprises are those enterprises with fewer than 50 employees that have a turnover or balance sheet total of less than €10 million (European Commission, 'Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises, 2003/361/EC').

² There are varying definitions of social dialogue, and the term is used in different ways by international organisations such as the ILO, OECD and the European Commission. However, for the purpose of this study the definition of the Eurofound EIRO dictionary is used: 'All types of formal dialogue, involving discussions, consultations, negotiations and joint actions undertaken by employer representatives and worker representatives on working conditions in the workplace'.

³ OJ L 183, 29.6.1989, p. 1.

⁴ Article 11 (1) of Directive 89/391/EEC. The EU Court of Justice held that Article 11 (2) of Directive 89/391/EEC is a concrete expression of the objective of the Framework Directive highlighted by the 11th and 12th recitals consisting in a dialogue and balanced participation between employers and workers with a view to adopting the measures necessary for the protection of workers against accidents at work and occupational diseases (ECJ, 6 April 2006, Case C-428/04, para 74).

previous Eurofound research on the topic, the project aimed to fill existing research gaps with regard to the practice of social dialogue, including dialogue on health and safety at work, among micro and small companies in the EU.⁵

The project had three concrete objectives. The first was to provide a literature review of recent comparative industrial research results regarding micro and small companies, with a particular focus on relevant research findings produced by Eurofound.

The second objective was to map current regulations governing social dialogue in all its forms in micro and small companies, including health and safety regulations, and provide an overview of current practices as well as the content of social dialogue in micro and small companies. To meet this objective, a questionnaire survey was conducted amongst Eurofound correspondents in the then 27 EU Member States plus Norway. The aim was to gather and analyse information on the regulations, regulatory change and policies that affect social dialogue in micro and small companies, in terms of both functioning and content, including social dialogue on occupational health and safety issues.

The third objective of the study was to identify and describe a limited number of company cases and country studies where social dialogue has worked well and to analyse the drivers of this success.

Methodology and structure of the report

The methodical approach and analytical tools applied in the study, as well as the structure of this final report, reflects the three broad objectives of the project.

The review of literature and research focused on comparative industrial relations research results, with emphasis on SMEs in general and particularly on findings in regard to industrial relations and social dialogue in micro and small companies, including practices in the field of health and safety at the workplace. The main results of the review are documented in the first chapter of this report.

The second chapter presents the main findings of a comparative analysis of the questionnaire-based survey of the Eurofound Network of European Observatories' Correspondents that was carried out for the purpose of this study. The aim was to provide an overview and update of the regulation and regulatory change of social dialogue in micro and small companies and policies of social dialogue in micro and small companies, including on health and safety, and also to provide an assessment of coverage, quality and outcomes of social dialogue in micro and small companies. The survey produced a comprehensive body of detailed national responses covering the whole EU.⁶

The third chapter of the report presents a comparative analysis of good practice, which was a further major research task of the study. Based on a limited number of countries (Bulgaria, Denmark, Germany, Italy and Spain) and companies (two cases in each country with an equal proportion of micro and small companies), the main objective of the case study analysis was to gather additional information and more qualitative evidence on important research interests. These included the distinctive characteristics of industrial relations in micro and small companies (also in comparison with larger companies), the motives, interests and driving forces for developing more formalised structures and practice of social dialogue at company level, and the internal as well as external factors of influence and other determining factors and challenges as perceived by company actors and national social partner organisations.

The final chapter of the report summarises a number of general conclusions arising from the three main research components, highlighting in particular the specific needs for further research and analysis as well as policy pointers.

⁵ See in particular Eurofound 2010a, 2011e and 2009, the last of which includes some references to smaller companies.

⁶ The national responses to the questionnaire survey are available on the Eurofound website.

Industrial relations and social dialogue practices in micro and small companies 1

Objectives

The objective of this literature review is twofold. First, it aims to provide a comprehensive overview of the available information and research findings on social dialogue in micro and small companies, focusing mainly on comparative⁷ literature and research results that have been published since 2008.⁸

Secondly, the review aims to give a background to the major themes and issues of social dialogue in micro and small companies in Europe – particularly those topics and research interests that seem particularly relevant for the purpose of this study. The review seeks answers to the following questions:

- What are the peculiarities of micro and small companies regarding social dialogue practice at the workplace level, including social dialogue and employee participation in the field of health and safety at the workplace?
- Are there any differences between micro companies and small companies in relation to the functioning of social dialogue and employee participation in the company?
- How are micro and small companies represented and involved in social dialogue and collective bargaining outside the company, for example at sector, territorial, national and European level? Are there any initiatives to foster social dialogue practice, including initiatives on health and safety issues, that target micro and small companies in particular?

The review is structured according to three major themes that mirror the research questions. First, the relevance of the research topic and the need to analyse social dialogue in micro and small companies is described from a European perspective. Comparative research results relating to industrial relations and social dialogue practice at the workplace, including on health and safety in micro and small companies, are then presented with a focus on the specific characteristics of micro and small enterprises in Europe. A third chapter addresses major issues regarding the representation and coverage of micro and small companies in different forms of social dialogue apart from the company level, including the European Social Dialogue.

Research on social dialogue in micro and small companies – Eurofound's contribution

As this review illustrates, a major proportion of current research knowledge and comparative information on micro and small companies in Europe is derived from Eurofound research projects, comparative reports and surveys such as the European Company Survey (ECS) and the European Working Conditions Survey (EWCS). Eurofound research activities and results relating to micro and small companies – addressing themes such as workplace social dialogue, employee participation, health and safety and working conditions – are highlighted in textboxes throughout the report.

⁷ While this chapter focuses on comparative research, literature and information, the next chapter provides an update and overview of national practices, trends and patterns of social dialogue practice, based on an analysis of the responses to the questionnaire survey amongst Eurofound's national correspondents.

⁸ Thus building on and updating previous Eurofound work on the topic, in particular Eurofound 2010a and 2009.

Relevance of topic

Policy context

The typical enterprise in the European Union is either a micro company or a small company. These size groups account for nearly 99% of all private enterprises in the EU, with the overwhelming majority being micro enterprises (93%).⁹ It is also a fact that 30% of employees in the European Union work in companies with fewer than 10 employees and half of all employees work in companies with fewer than 50 employees (Wauters et al, 2012, p. 157).

Micro and small companies not only play a crucial role in the economy of the EU as employers and sources of employment – they also contribute most to job creation. According to a recent analysis, around 85% of all new jobs created in the EU between 2002 and 2010 were in small and medium-sized enterprises. Furthermore, within the SME group, micro enterprises are responsible for the highest proportion of total net employment growth – nearly six out of ten jobs created by SMEs came from micro companies. While between 2002 and 2010 employment in larger companies increased by just 0.5% on average per year, the average annual increase in SMEs was 1%. And within the SME size group the highest growth rates are found in micro and small enterprises, at 1.3% and 1% respectively (de Kok et al, 2011, p. 29). Moreover, 58.4% of the total gross value added produced by private businesses in the EU in 2010 came from SMEs (Wymenga et al, 2011, p. 8).

Considering the prominent role of SMEs a number of initiatives have been developed at EU level to support small and medium-sized enterprises in Europe, notably through the ‘Small Business Act’ (SBA) in 2008, which includes the ‘Think Small First’ principle and an agenda for smart regulation that aims to help small business by minimising the regulatory burden of legislation. Other important objectives of European SME policy are better access for enterprises to finance and supporting SMEs by taking full advantage of the Single Market (European Commission, 2011d). These European initiatives have been accompanied by several research initiatives, regular reporting and monitoring of SME development in Europe as well as the implementation of the 10 SBA principles at national level.¹⁰

More recently, the European Commission, in a Communication to the Council and the European Parliament, stressed the need to provide more support to micro companies and introduced the dimension of ‘micro entities’ in the ‘SME test’¹¹ (European Commission, 2011c). This introduced the prospect of exemption of micro enterprises from regulation, when justified, and lighter regulatory regimes for SMEs. It should be noted that the regulation was reviewed quite critically by the European SME employer organisations UEAPME (UEAPME, 2012).

⁹ Eurostat, 2013: ‘Nearly 40% of people employed by non-financial enterprises in the EU28 worked for SMEs in 2011’. News Release, 25 November 2013.

¹⁰ Since 2008, the EU Commission has published an Annual Report on SMEs that focuses on general trends and developments in business and employment for this size group. Also on an annual basis, SBA factsheets measure the implementation of the Small Business Act and the 10 principles (entrepreneurship, second change, think small first, responsive administration, state aid and public procurement, access to finance, single market, skills and innovation, environment and internationalisation). For this purpose, 68 indicators have been identified.

¹¹ An impact assessment that analyses the likely economic, environmental and social effects of legislative proposals on SMEs by assessing the costs and benefits of policy options.

Issues addressed by comparative research in SME development

In the context of SME-specific initiatives, a number of research activities have been carried out at EU level to monitor SME development, including the implementation of the Small Business Act (SBA), economic and employment trends of SMEs and other issues. Apart from the annual reports on SMEs published by the EU Commission,¹² reports have been produced on issues such as smart regulation (European Commission, 2013b), job creation and the specific role of family business (de Kok et al, 2011; KMU Forschung Austria, 2008).

Recent literature has also highlighted the important role of smaller companies in the context of job creation as well as recovery from the 2008 crisis. This role of SMEs was also stressed in the 2012 Communication of the European Commission on a 'job-rich recovery' (European Commission, 2012c).

EU-level comparative studies and analyses on SME development during the 2008 crisis and their role in recovery and job creation have been carried out, for example, in the context of the EU Commission's annual reviews of SME development (European Commission, 2011a) or discussions within the European Parliament (European Parliament, 2012) as well as by the International Labour Organization (ILO, 2009) and Eurofound (Eurofound, 2011e).

These as well as other studies (European Commission, 2012c; de Kok et al, 2011; Eurofound, 2012b) show that job creation rates of SMEs outstrip those of larger companies and also highlight a further feature of employment development in SMEs compared to larger enterprises: not only entry rates but also exit rates are higher; there is a greater proportion of workers leaving the company due to dismissals, redundancies or individual decisions. This illustrates a specific characteristic of SMEs during crisis situations: although generally SMEs are regarded as being more flexible, more adaptable and less likely to dismiss staff than larger companies, they also face greater difficulties in situations of crisis and restructuring. This is mainly due to limitations resulting from size – for example a lack of internal flexibility and a general lack of resources to cushion the immediate impacts of crisis situations (Eurofound, 2012b).

Eurofound's research on SMEs in the crisis and on restructuring in SMEs

The 2011 comparative study on SMEs in the crisis – *Employment, industrial relations and local partnership* (Eurofound, 2011e) – gives an overview of the situation and practices in European SMEs in the context of the economic downturn.

While employee representation, social dialogue and collective bargaining are more often present in medium-sized companies (although with substantial differences among countries), small companies usually have low trade union density, particularly in the smallest ones, often family-owned, where employee representation is less frequent.

The study found that informal employment, such as employment without a contract, was reported to be high among micro and small companies, possibly for reasons connected to numerical flexibility. Although the crisis has significantly affected employment in SMEs, the report found a positive trend in some countries, such as Bulgaria, where the number of micro enterprises increased during the crisis. However, the increase applied only to micro enterprises in real estate and business services; the number in the commerce sector decreased. In Hungary, employment in micro enterprises was more severely affected than in larger companies. When looking at job creation, the study found only one example relating to micro and small businesses – in Portugal, where the 2009 and 2010 employment plans provided for a reduction of 3% in employers' social security contributions for employees over 45. The plans also provided for a 1% reduction in these contributions for employees on the statutory minimum wage.

¹² 2008 and 2009 Annual Reports on SMEs, SME Performance Reviews 2012/2011 and 2010, SBA factsheets.

An initiative aimed at SMEs and micro enterprises in Poland between 2009 and 2011 focused on increasing the skills of manual workers due to the shortage of qualified staff in the construction sector in particular. With regard to social partners' actions/initiatives, the study noted that in Romania and Slovenia the government reduced taxation for micro enterprises, following criticism from employers. Tax reduction has also been a demand of employers' organisations in Germany and Greece.

More recently, the 2012 study on *Restructuring in SMEs* (Eurofound, 2012b) attempted to fill the information gap on the restructuring drivers and mechanisms for small and micro companies. Of the 85 case studies examined, only two concerned micro companies. Data from the 5th European Working Conditions Survey that was conducted in 2010 show that micro and small companies had been less concerned with restructuring than large ones in the previous three years (23% of micro companies employees and 33% of those in small companies reported recent restructuring, compared with 60% of larger workplaces). However, the study points out that changes are more frequent in micro and small companies and that the concept of restructuring is not always clear in this context. When looking at the mechanisms for restructuring, the study found that micro and small companies are less likely to follow legal information and consultation procedures because of their size. However, information and consultation may take place more often in a less formalised way. When it comes to anticipating and preparing for changes, smaller companies are less able to plan and prepare because they have limited resources, although management seems to have a more optimistic approach than in large establishments. While the provisions for training in relation to restructuring are more frequent in micro firm, the percentage of employees benefiting from general training is higher in large companies.

It is quite striking that European comparative research and monitoring so far has not addressed either the specific group of micro and small companies, or the issue of working conditions (including health and safety) and industrial relations. Case study or survey-based research has addressed employment and working conditions aspects such as health and safety (Eurofound, 2010a; EU-OSHA, 2009), training and further training generally from the perspective of SMEs (European Commission, 2009). On the topic of social dialogue in SMEs only secondary analyses, in most cases based on Eurofound research results, have been published (EZA, 2009) or addressed by trade union or employer-led activities.¹³ In 2008–2009 a joint ETUC/UEAPME cooperation project tried to identify and elaborate issues of joint concern relating to European social dialogue as it applies to SME development and practice in Europe (ETUC/UEAPME, 2009).

Micro and small companies and social dialogue

While, of course, there are good reasons for taking into account the specific needs of micro and small companies in relation to the regulatory burden and frameworks, the question arises as to how European values and principles are implemented and fostered in employment relations and working conditions in smaller companies. This also includes principles, instruments and policy orientations of the European Social Model such as social dialogue, information and consultation of workers, decent working conditions and health and safety at work.

¹³ An example is the EU-funded project 'Improving employee involvement in SMEs' that was launched in 2012 and implemented by Italian and Polish trade union organisations (see: <http://www.etuc.org/european-project-improving-employee-involvement-smes>). In 2011 and 2012, the European SME employer organisation UEAPME also implemented a project that aimed to strengthen the capacity of crafts and SME organisations in the new Member States and candidate countries by supporting their active participation in the EU Social Dialogue (see: <http://www.ueapme.com/pegase/>).

Major challenges in this context have been highlighted in a European Commission document on green growth and job creation:

Where jobs are created in companies and sectors with little tradition of social dialogue and employee representation, safeguarding the fundamental rights of workers, ensuring equal pay and decency of work can present particular challenges.

(European Commission, 2012a)

One of the fundamental social rights of workers in the EU, according to the Charter of Fundamental Social Rights, and an integral part of the European social model, is the right to be informed and consulted at the workplace (Ales et al, 2009). According to numerous studies, social dialogue and employee participation corresponds to the needs of both employees and employers (Eurofound, 2011a). Here, it is stressed that social dialogue improves economic performance by developing positive workplace practices that encourage cooperation and strengthen workforce motivation and morale, not just in response to economic difficulty, but in all economic and labour market circumstances. With regard to employee involvement in decisions at the workplace, it is argued that this can have positive effects such as better protection of workers' rights and interests, solution of work problems, optimising of work organisation and processes and a positive establishment culture of trust (Eurofound, 2012d).

Regarding the implementation of the fundamental right to be informed and consulted in micro and smaller enterprises, as well as with respect to supporting employee participation and social dialogue at workplace level, a number of questions arise that so far have only partly been addressed by research.

Practice of social dialogue in micro and small companies

Industrial relations and impact on social dialogue

When it comes to industrial relations at company level, it should be stressed that SMEs show considerable diversity in terms of almost every aspect of work organisation, ownership structures, products and markets, workforce characteristics, etc. This internal diversity is also illustrated by different national categorisations and terms such as 'Mittelstand', 'crafts' or 'family business'. Such labels are not always linked to specific size groups, but are often related to differences between smaller companies and larger companies in terms of the way a company is run, the workforce is managed and industrial relations are organised.

For example, a number of comparative studies have indicated that smaller companies, and in particular family businesses and micro companies, tend to be more informal than larger companies with regard to managing human resources. Research has shown that companies employing less than a certain number of employees seldom have an HR manager. Especially in micro firms, the owner or managing director often takes on personnel management tasks as well as the everyday work and diverse responsibilities of managing the company (de Kok et al, 2011, p. 95; ETUC/UEAPME, 2009). While this does not necessarily have negative effects on the quality of working conditions and employer–employee relations, it has been argued that it often results in a practice that is characterised by ad-hoc responses to acute problems rather than longer-term and sustainable strategies for HR development. This aspect was highlighted in the summary of results of a European collaboration project on retaining competences in the light of demographic change:

The special feature of these small enterprises is that they generally feel they do not have adequate resources for conducting their own personnel development. In the majority of cases, the owners or CEOs take on personnel management in addition to the diverse responsibilities of managing a company. Personnel management in such enterprises thus often becomes a mere response to acute problems rather than a sustainable strategy of development.¹⁴

¹⁴ SKRAT project consortium 2011: Strategic practices for know-how retention and transmission within organisations, IG Metall, Frankfurt am Main, p. 5.

In micro companies in particular, employment relations between owner and workers are often perceived by both sides as a personal and direct relationship. The fact that workplace and social relationships often overlap and are reinforced by social activities is regarded as a barrier not only for longer-term and more systematic HR management but also for more formalised or even institutionalised practice and organisation. As has been argued elsewhere on the basis of case study evidence, such ‘informal’ employee relations do not mean the absence of conflict, but employee dissatisfaction tends to result in ‘voluntary’ or informal exit, rather than the emergence of collective channels of representation such as organisation in trade unions, employers’ organisations or the coverage by collective agreements (De Troyer and Le Lay, 2007, p. 112).

Coverage by formal employee representation and structures of information and consultation

According to the EU Directive establishing a general framework for informing and consulting employees (2002/14/EC), the general framework and obligation to inform workers and consult them on employment-related matters only covers enterprises with more than 50 employees. Although most European countries have established lower thresholds, only in a few countries (Austria, Germany and – with representatives having lesser rights – Estonia and Slovakia) are micro enterprises also covered by national legislation on employee representation structures (Jevtic, 2012).

It should be noted that in many countries there are no thresholds for establishing some kind of trade union or shop steward representation functioning as the dominant information and consultation forum. At the same time, smaller companies are also characterised by rather weak trade union organisation coverage, with the exception of those in the three Nordic countries.¹⁵

As a number of comparative studies have shown, there is a diverse landscape of employee representation systems across Europe that generally reflects different industrial relations traditions and models and follows two basic models and four sub-models of employee representation at the workplace (see for example Eurofound, 2011d):

- Representation structures dominated by works councils, where either single systems of works councils (Austria, Germany, Netherlands, Luxembourg) or dual systems (based on employee representation or joint interest representation bodies on the one hand and trade union representation structures) exist (Belgium, France, Italy, Spain as well as Estonia, Latvia, Hungary, Slovakia, the UK and Ireland).
- Representation systems dominated by trade unions, either with single representation systems (Sweden, Cyprus, Czech Republic, Malta) or dual systems (Denmark, Finland, Portugal, Slovenia, Croatia).

Though this issue has not been addressed by more in-depth research, there seems to be no simple correlation between the different models of interest representation, legal thresholds and rates of incidence and coverage of micro and small companies by statutory or institutionalised structures of employee representation. As secondary data analysis of the European Company Survey 2009 suggests, there are slightly more countries within the group of employee representation dominated by works councils that have established low thresholds for establishing information and consultation structures than in the group of countries that are characterised by trade union dominated representation structures (Eurofound, 2011c).

¹⁵ Sweden is the only country where employees (who are members of the trade union) in companies, irrespective of the size of their workforce, would be represented by local trade union structures if there are no trade union structures within the company. See Jevtic, 2012, p. 32.

However, low thresholds in terms of the number of employees required for the setting up of employee representation structures do not have any significant impact on the incidence of works councils or other forms of institutional interest representation at company level. If countries are classified into ‘low’, ‘medium’ or ‘high’ thresholds for different forms of employee representation and these groups are contrasted with the coverage of small companies (for figures on thresholds and coverage/incidence see in particular Tables 1 and 6 in the following chapter), no clear-cut correlation emerges. While countries with higher thresholds (e.g. Hungary, Poland or the UK) can be found among those with rather low rates of incidence and coverage, there are also countries with very low thresholds that have even lower coverage rates (Eurofound, 2011c, p. 16; see also European Commission, 2013a, p. 45).

Thus, irrespective of the model of regulation (dual or single, works council or trade union dominated) and thresholds, the ability to establish institutionalised structures/bodies of employee interest representation seems to be more heavily influenced by the relevant industrial relations framework and in particular the organisational strength of trade unions and their presence at company level than by legal regulation. This is illustrated by the Nordic countries but also, for example, by Belgium, where rather high thresholds coincide with a comparatively high coverage of small companies by employee interest representation structures (organised by trade union delegates).

Very little comparative research evidence is available for micro companies, i.e. those with fewer than 10 employees, partly because most EU-level surveys only cover larger establishments; one exception is Eurofound’s European Working Conditions Survey (EWCS), while the forthcoming ESENER (European survey of enterprises on new and emerging risks) survey carried out by the European Agency for Safety and Health at Work (EU-OSHA) will cover firms with fewer than 10 employees. However, the figures for countries with the lowest thresholds for setting up a works council (Austria, Germany) or trade union shaped structures of interest representation also show quite large differences in coverage.

In light of this, and also in regard to the long-term trend of declining trade union membership and trade union organisation at workplace level in most countries, the recent ‘Fitness Check’ of the three European Directives on information and consultation of workers has highlighted the low coverage of smaller companies by information and consultation structures. It stated that the application of the minimum threshold laid down in the Information and Consultation Directive could mean that only 1.3% of all undertakings across the EU would be covered (European Commission, 2013a). Furthermore, the Commission states that when it comes to the operation of information and consultation in practice, resources (information about the economic and employment situation, paid time off, training) as well as statutory channels, are significantly less available in SMEs. According to the Commission this could hamper the further development of social dialogue within SMEs (European Commission, 2013a, p. 20). In view of the lack of information and research-based evidence, the Commission sees a need for further research and analysis:

As regards the gaps related to the scope of application of the I&C Directives (...) particular focus should also be placed on SMEs taking into account their specific situation and needs.

(European Commission, 2013a, p. 36)

While trade unions in particular demand an adjustment of the regulatory framework (for example, a legal obligation to provide information and consultation), employers’ organisations have argued that formal information and consultation procedures are not needed in smaller companies, as the relationship between management and workers is more direct and based on personal relationships, which can encourage cooperative, informal exchanges of information and consultation. This pattern seems to be confirmed by the results of EU-wide surveys such as the Eurofound European Company Survey (ECS).

This opinion is also supported by a finding of the ECS on workplace cooperation culture. Here, a curvilinear relationship seems to exist between the quality of workplace social dialogue and the size of the establishment. The quality of workplace social dialogue is highest in the smallest establishments (with 10–19 employees) and the largest establishments (500 or more employees) (Eurofound, 2010b).

Furthermore, when it comes to the perception of employees in smaller companies, compared to larger companies, another aspect is highlighted by the ECS 2009 survey results. Employees in smaller establishments rate their influence on structural change within the company at a similar level as do employees in larger companies. Not only this, but in many countries (e.g. Italy, Spain, Portugal, Austria and Germany), employees in establishments with fewer than 50 employees consider their influence to be even stronger than their colleagues in larger companies (for more details see Voss, 2011).

Workplace social dialogue in small companies – results of the European Company Survey

The European Company Surveys (ECS) 2009 and 2013 have revealed a number of findings on small companies in contrast to larger ones. Micro companies are not covered because the survey only includes companies with at least 10 employees.

When exploring workplace cooperation culture, the 2009 ECS found that a curvilinear relationship seems to exist between the quality of workplace social dialogue and the size of the establishment: The quality of workplace social dialogue is highest in the smallest (10–19 employees) and largest (500 or more employees) establishments. Furthermore, according to the ECS 2009 survey results, the perception of employees in smaller establishments in regard to their influence on structural change within the company is rather similar to the perceived influence of employees in larger companies. In many countries (e.g. Italy, Spain, Portugal, Austria and Germany) employees in establishments with fewer than 50 employees consider their influence to be even stronger than their colleagues in larger companies.

As expected, there are pronounced differences in employee representation between large and small companies. In small companies only one in three employees is covered by institutional representation. The figure is two out of three for medium firms and 90% in large companies. This difference is particularly evident in Austria, Germany and the Czech Republic. Institutional employee representation is nearly non-existent in small establishments in Greece and Portugal. Resources for employee representation are also more limited in smaller establishments, not only in quantitative but also in qualitative terms. Some 25% of employee representatives reported that they have no right to time off (compared with just 9% in large companies). However, when time is allocated to employee representation, the survey finds that fewer time problems are reported in small companies than in large ones.

In terms of information provision the ECS 2009 results show that small companies have more difficulty in providing information on their financial, economic and employment situation with one in four of them failing to do so once a year.

The ECS 2013¹⁶ includes information on whether management of companies aimed to provide training for staff to increase their awareness on health and safety issues. The results among EU countries show that this is the case in an average of 74.8% of small companies. Percentages for medium and large companies are slightly higher with 80.6% and 81.7% respectively. Managers of 40.4% of small companies in the EU reported having taken important decisions in the area of occupational health and safety in the previous 12 months. However, when the survey examined whether the impact of decisions in occupational health and safety had been considered important for companies' working conditions, only 16.4% of European small companies provided a positive answer.

The percentage of companies with an official employee representation structure was 26% among small establishments, 60% in medium and 82% in large establishments.

¹⁶ First results of the 3rd European Company Survey (ECS) were presented in Brussels on 26 November 2013. The survey maps practices in establishments with 10 or more employees across the EU28, and in the Former Yugoslav Republic of Macedonia, Iceland, Montenegro and Turkey. In all, over 30,000 establishments were surveyed by Gallup Europe, with a target sample size per country ranging from 300 to 1,650. Topics comprised work organisation, human resources (HR) practices, employee participation and social dialogue, and how these practices support 'smart growth'. Interviews were conducted in spring 2013 with HR managers and with employee representatives (wherever possible).

Comparative surveys also show that, as regards the operation of information and consultation in practice, resources (information about the economic and employment situation, paid time off and training) are significantly less available in SMEs. According to an expert study that accompanied the ‘Fitness Check’ 2013, this can hamper the further development of social dialogue within SMEs. Employee representatives in SMEs are found to be involved in employers’ decisions on employment and work practices to a lesser extent than in larger companies (Wauters et al, 2012, p. 152).

Representation structures

There are different groups of actors that initiate and are involved in social dialogue at workplace and other levels. The most important are the two social partners, i.e. employers’ and employees’ organisations (including professional associations, chambers, craft guilds and other bodies) and employees and their representation bodies, whether trade union or non-union. At the same time, governments and government institutions (for example in the field of health and safety) are also involved in tripartite social dialogue, in particular when it comes to regulating frameworks of establishing formal structures, defining contents or facilitating social dialogue.

With regard to actors involved in social dialogue beyond the direct workplace level and employer–employee relations, Europe is characterised by a large variety and diversity of different industrial relations actors, and influence and role in social dialogue has been analysed quite extensively (European Commission, 2011, pp. 17–53).

However, when it comes to the representation of SMEs as well as their workers in employers’ organisations and trade unions, comparative information is scarce as national organisation rate figures are not broken down in terms of company size. In regard to trade union membership, few facts are known other than that union membership in SMEs is lower than in larger companies. A comprehensive overview of membership data and development trends across the European Union that was published in the EU Industrial Relations Report 2010 does not contain any in-depth reference to union membership patterns and trends for different size groups, apart from a very general assessment:

Unionisation levels rise with establishment size, perhaps because the benefits of membership rise with size, impersonal management leads to greater alienation and demand for protection, or because size proxies unions’ organising costs. This is strongly related to workplace-level union organisation and employee representation, which tends to be guaranteed, by law or national agreement, for establishments above a particular size. Such rights may help trade union representatives to organise, although this is not always the case.

(European Commission, 2010, p. 33)

The representation of SMEs by employers’ organisations in most European countries is twofold: small companies are organised in the main employers’ organisations but in most countries there are also further representative organisations for small companies. Both representation principles and structures differ from country to country. In countries with a long-standing craft tradition (such as Germany), craft companies are also represented by specific craft organisations at local, regional and national level (ZDH, 2004).

Thus the European Association of Craft, Small and Medium-sized Enterprises (UEAPME), as the main EU-level employer organisation of small- and medium-sized businesses, incorporates around 80 member organisations consisting of national SME federations, European sector federations and further associated members. Since 1998, UEAPME has been acknowledged as an independent social partner organisation and takes part in the European social dialogue.

At national level there are also a number of territorial-level representation examples that seem very suitable for the specific needs of smaller companies. In countries such as Sweden, Italy, France, Denmark, Spain, the Netherlands and Belgium a combination of territorial-level workers’ representatives (both general as well as functional representation, for example, on OSH) and ‘mutualisation’ of resources managed jointly by social partners through bipartite bodies has been established as an institutional framework for supporting social relations and dialogue in micro and small companies (see

for example De Troyer and Le Lay, 2007). Their extent and regulation varies across sectors (more developed in construction, for instance, less in retail, hotels and restaurants and crafts) and sub-national areas, such as regions.

‘Mutualisation’ may affect both collective bargaining issues (as in construction), compliance with legal requirements (training, OSH), and tailor-made welfare measures, coupled with promotional measures in continuous vocational training (CVT) and in company innovation. Over the past two decades this practice has proved effective in both supporting the competitiveness of companies and tackling the crisis situation.

Another important strand of social dialogue is cooperation with variable partnerships including labour inspectorates, social security and social partners in promoting prevention in OSH (in particular in countries such as Italy, Belgium, Germany, Austria, Sweden and France) for smaller companies, as research has highlighted the fact that the ergonomic, physical and chemical work environment in small enterprises is more hazardous than in larger ones (see the references in EU-OSHA, 2009).

Collective bargaining coverage

There is little research on company size as it relates to collective bargaining in Europe. It is estimated that between 2007 and 2009 around 66% of all employees in the private sector of the European Union Member States were covered by a collective wage agreement (European Commission 2013c, p. 21). The variation between countries is, however, considerable: the share of employees in the private sector covered by a collective wage agreement varies from nearly 100% (Austria) to less than 20% (Lithuania).

In terms of size class effects, the Eurofound European Company Survey is the only source of information so far, although no data or estimates exist for micro companies. When it comes to small establishments (10–49 employees) the 2009 ECS data indicate that around 65% of all small companies in the EU27 are covered by a wage agreement at company or higher level. The coverage rate varies from over 90% in countries such as Spain, Italy, Finland and Slovenia to less than 20% in Estonia, Lithuania and Bulgaria.¹⁷

As comparative analysis shows, there are various collective bargaining frameworks in place in Europe. Some provide a system of nationally binding sector-level and in some cases territorial agreements (as in the case of Belgium, France, Italy, Sweden or Denmark as well as in Spain, at least until the recent reforms) and in others bargaining is largely limited to company-level agreements, as in the UK and most central and eastern European countries. Not unsurprisingly there is considerable variation in the coverage of collective bargaining and this diversity clearly has some importance for those working in SMEs. While in most countries collective agreements signed at national and sector level cover micro, small and large enterprises, there are also national systems (as in Belgium, France and Italy) where organisations of SME employers participate in collective bargaining and are often represented on bipartite and tripartite advisory and consultative bodies.

There have been a number of initiatives attempting to extend representation rights to workers in SMEs. In Belgium and Italy attempts have been made to introduce regional-level bargaining rules, which transfer the powers of workers’ representatives in SMEs to regional level, creating representational structures for a number of SMEs in the same industry or region (De Troyer and Le Lay, 2007, p. 25).

¹⁷ ECS 2009 data extracted from the Eurofound website, November 2013.

Social dialogue on occupational health and safety and other issues

The regulation of health and safety in micro and small companies is a good starting point for examining social dialogue practice in such companies. The Directive on health and safety (89/391) sets out an important role for workers in terms of consultation and participation in health and safety practice at company level because this is valued as a key factor in developing safe and healthy working conditions as well as adequate measures in the field of prevention and training. The question arises how this role can be implemented in the best possible way in the specific industrial relations environments of smaller companies. And again, on this specific topic and in terms of the national implementation of the EU Directive, little quantitative or qualitative research has so far taken place. Apart from evidence provided by the European Agency for Safety and Health at Work (EU-OSHA, 2012) on the role of employee information and consultation on successful and effective health and safety at work, a Eurofound comparative report has also provided information on the issue.

Eurofound's research on Health and safety at work in SMEs

The 2010 Eurofound comparative report explored how European SMEs deal with occupational health and safety requirements (Eurofound, 2010a, p. 62). The study highlights significant differences in terms of structures as well as the quality of social dialogue and employee involvement in OSH. Findings show that there are wide differences among EU countries in the approach to information and consultation on health and safety at work, although there is a significant move towards wider consultation with social partners in policymaking. The Eurofound report also noted that most Member States have adopted a shift in policy away from measures and legal obligations directly aimed at promoting OSH in micro and small companies towards appealing to employers' responsibility first and favouring a more participative approach, in which workers' representatives play an important role.

It is immediately evident that smaller companies, because of their lack of resources for employees' OSH representation, encounter more difficulties in this context than large companies. In most countries there is a general move towards simplification of procedures for small and micro companies. One example of a policy approach in favour of the smallest companies is the supply of free OSH consultancy services by national insurance funds for work accidents (for example in Austria, Belgium and Italy), often combined with discounts on insurance premiums. However, the effectiveness of such initiatives requires further evaluation.

In general, national-level analyses show that both compliance and the extent of employee information improve with company size (in part due to the presence of OSH representatives). However, few countries conduct regular and systematic monitoring – in a disaggregated way – of policy implementation and its outcomes in terms of work accidents, risk exposure and work-related diseases.

At the same time surveys such as the EU-OSHA ESENER survey highlight the positive impact of prior consultation about changes to work organisation and working conditions, of learning opportunities in the workplace and the feeling of job security. Furthermore, the ESENER survey points out that the existence of workers' representatives has a positive impact on OSH performance. In its 2009 first wave survey, which included firms with 10 employees or more, a positive impact of workers' representatives on OSH performance is reported, especially in small companies and in those where the employer (or the management) shows high a commitment to OSH issues (EU-OSHA, 2012, p. 9).

In terms of the establishment of institutional structures to support OSH issues, bipartite bodies supporting OSH in small companies are particularly interesting. Such bipartite bodies play an important role in promoting health and safety in Belgium, Denmark, Greece, Italy, Spain and Romania. These bodies were first established in the 1960s in the construction industry in Belgium and Italy. In Italy, they spread to other SME-dominated industries during the 1990s

(handicraft, trade, hotels and catering, agriculture) and provide funding for territorial workers' representatives. The Danish Working Environment Councils run by the social partners provide information, guidelines, target smaller companies and are established in all sectors, thus ensuring almost complete coverage. In France bilateral observatories are established at a regional level, playing a consultative and monitoring role. Bipartite bodies are very new in Romania, where they have been established only in the construction industry, and in Spain (farming and the food and drink industry).

This pattern of local partnerships, networks and bipartite initiatives supporting smaller companies with suitable solutions and thus illustrating the added value of social dialogue above the company level has also been documented in relation to other topics, such as managing the 2008 crisis, further training and lifelong learning or managing challenges such as demographic change (see also Eurofound, 2011e; ETUC/UEAPME, 2009; European Commission, 2009).

Social dialogue, working conditions and employment quality

As mentioned at the beginning of this review, social dialogue and information and consultation is regarded not only as an objective in itself and a fundamental worker's right but also as a means of contributing to company performance, the quality of working conditions and job satisfaction.

In terms of working conditions and job satisfaction, the results of recent European studies are quite surprising if contrasted with the rather weak coverage of small companies by structures of social dialogue. Survey-based European-wide studies such as the European Working Conditions Survey indicate that job satisfaction (the overall assessment of employees regarding the quality of their jobs) tends to be higher for employees in smaller enterprises (Storey et al, 2010).

This is even more surprising as several studies have shown that smaller companies have lower quality working and employment conditions than larger ones. For example, employees in small companies tend to receive lower wages than employees in large enterprises in virtually all European countries (de Kok et al, 2011, p. 107). The gaps in wages between size classes of enterprises have been explained by enterprise characteristics (including sector) as well as job and education/qualification aspects. Nevertheless, to some extent, average wages vary between size classes because smaller enterprises pay lower wages than larger enterprises, for similar employees in similar jobs. Factors such as labour productivity, available financial resources and ownership factors have been highlighted as contributing to this 'size wage premium' (de Kok et al, 2011, p. 108).

Job security represents a very important dimension for workers' perceptions of job quality. Previous studies on working conditions, job satisfaction and quality of life concluded that the issue of security (including job security and income security) is a key element affecting people's perception of the quality of life (Drobni et al, 2010).

An indicator that is especially relevant when comparing size classes is the risk of losing one's job due to firm closure. Although it is not possible to present accurate estimates of this risk, it is clear that this risk is higher for employees in the SME size class and in particular, in micro and small enterprises. For example, in 2003 more than 80% of all jobs lost due to firm closures occurred in enterprises employing fewer than 20 employees, while these size classes employ far less than 80% of the total workforce (de Kok et al, 2011, p. 116).

A number of studies have highlighted that training and skills development in smaller companies (again, most studies address the SME group in general; only very few have focused on specific size groups such as micro companies) follows different patterns and is implemented in a different way than in larger companies.

The most common training methods within small companies are on-the-job training and self-directed learning (European Commission, 2009; UEAPME, 2008). Less common are enterprise-provided training courses and activities such as mentoring programmes, job rotation, learning cycles, study visits or exchanges. Thus, micro and small enterprises have

a preference for less formal training activities when compared to large firms. This is also the conclusion from a recent study carried out for DG Enterprise on skill development in micro and craft-type enterprises (European Commission, 2011b).

Additional analyses show that involvement in training activities is related to various characteristics of the workforce and of the enterprise. Regarding the workforce, enterprises with a higher share of full-time employees, of employees with a high educational level, and of young employees are more likely to take part in training activities. Training activities are also more common among larger enterprises and innovative enterprises.

Considering the finding that working and employment conditions in smaller companies are of lower quality than in larger companies (there is little information on the differences between micro and small companies), the positive perception of job quality amongst workers in small companies is quite surprising. One study (de Kok et al, 2011) tried to explain this with reference to the fact that SMEs score highly in terms of the quality of work. Indicators for the quality of work include aspects of the environment and conditions under which a worker performs various tasks, such as physical working conditions, health variables and risk of accidents. Available statistics on health and safety at work, however, suggest that SMEs do not score particularly high on these indicators. Given these results, the main reasons why job satisfaction is higher among SMEs than large enterprises must be related to aspects such as work autonomy and the meaningfulness of the work. Experts confirm that it is particularly the ‘soft’ side of the work relationship that is valued highly by employees in SMEs. Employees seem to value the face-to-face relationships in SMEs, and most managers at SMEs are not autocratic. The study also highlights other aspects:

job satisfaction may also depend on aspects of the enterprise context: characteristics of the enterprise (or entrepreneur, in the case of SMEs) that affect the well-being of employees, which are not aspects of individual jobs. (...) job satisfaction is relatively high amongst SMEs because the organisational stability is higher: in smaller firms, strategies change less often and mergers and take-overs occur less often, resulting in more stable environments.

(de Kok et al, 2011, p. 127)

These are of course very tentative conclusions that definitely need solid validation by empirical research. In relation to the positive results and conclusions regarding work quality and satisfaction, there is also a feeling of scepticism as national surveys come to quite different conclusions; see the survey on working conditions and workers, satisfaction in craft companies in Germany (DGB, 2011).

Furthermore, additional and more solid research also seems necessary considering the results summarised above on health and safety at work in micro and small companies.

Summary

A key issue emerging from this literature review is that that knowledge about industrial relations issues and social dialogue practice in SMEs in general and micro and small companies in particular is quite limited. This knowledge gap has also been identified in the context of the EU Commission’s ‘Fitness Check’ of the Directive on Information and Consultation as a major challenge that must be tackled by more research.

The review has also revealed that in terms of European comparative data and analyses Eurofound occupies a very prominent position. Most studies and literature on labour and industrial relations in SMEs are based on quantitative as well as qualitative data gathered by Eurofound studies and surveys. In terms of OSH practice and specific challenges faced by micro and small companies, as well as the added value of employee participation in social dialogue on OSH, the ongoing research and large surveys such as the ESENER survey carried out by the European Agency for Safety and

Health at Work (EU-OSHA) are also important sources of information and data, particularly in regard to comparative findings.

In terms of the specific features of industrial relations in micro and small companies, the review has confirmed the generally well-known findings, for example the important role of informal relationships between owners/managers and employees, and the weak incidence of formalised structures and practices of interest representation and social dialogue, collective bargaining coverage and collective representation in general. However, when it comes to the underlying reasons, driving forces and factors of influence, there has still been little comparative research.

Regulation, practice and policies 2 in micro and small companies in the EU

This chapter presents a comparative analysis of major results of a questionnaire survey on social dialogue in micro and small companies that was carried out in the context of the study among Eurofound's Network of European Observatories' Correspondents (European Industrial Relations Observatory correspondents in cooperation with the European Working Conditions Observatory correspondents) between March and October 2013. The survey also builds on results that were gathered in the 2010 EWCO CAR 'Health and safety at work in SMEs: Strategies for employee information and consultation' (Eurofound, 2010a), focusing however on the specific group of micro and small companies.

The structure of this chapter mirrors major aspects of the survey, which focused in particular on regulations and regulatory change, the practice and policies of social dialogue in micro and small companies, including health and safety, and finally on an assessment of coverage, quality and outcomes of social dialogue in micro and small companies.

Regulations and regulatory change of social dialogue

When investigating social dialogue in micro and small companies, the legal framework enabling the establishment of workplace representation is certainly the first step. It is possible to identify two principal forms of employee representation: elected employee representatives or workplace trade union representatives elected by the employees. Both forms exist in most countries, except in Sweden, Cyprus and Malta (only trade union representatives) and Luxembourg (only elected workers' representatives). Because of company size, reference will not be made here to single-channel works councils (where works councils or the trade unions are the sole eligible employee representative structure) versus dual-channel works councils (where both types of representation can be found).

The main focus of the following analysis is the inclusion and/or exclusion of micro and small companies by legal or other (collective agreements) regulation when it comes to general employee representation and information and consultation practice.

In some countries, employees can elect their delegates only in firms that employ more than a certain minimum number of people, while in others works councils or joint committees with employers' representatives are mandatory above a certain size. Some countries display both criteria. Finally, the appointment of trade union delegates follows different criteria across EU Member States.

Table 1 is based on contributions from national correspondents updating previous information from Eurofound (2010a and 2011c) and summarises the regulations on general workers' representation size thresholds among Member States and Norway. Eleven Member States display some restrictions to the establishment of representatives on the employees' side, either elected by employees or nominated/delegated by trade unions, while the rest allow either of them regardless of company size:

- fewer than five employees: Czech Republic;
- between 5 and 9 employees depending on country: Austria, Belgium (in some sector-level agreements), Greece for employee representatives on a temporary basis, Latvia and Malta;
- between 10 and 19 employees depending on country: Hungary, Luxembourg, Poland and Romania;
- 20 and more employees in the UK.

Employee representatives are mandatory in small firms only in three Member States. Spain (although only formally), Denmark (according to a national collective agreement in firms with at least 35 employees), and Luxembourg (in firms with more than 15 employees) are the only Member States with compulsory forms of representation. In Denmark, the representative body takes the form of a joint committee (cooperation committee). In Belgium, the minimum threshold is defined at sector level, and ranges from 5 to 20 employees. In the Netherlands and Norway works councils are compulsory only when there are more than 50 employees, while in Belgium and Germany joint committees are compulsory only in companies with at least 100 employees.

Several Member States have two distinct thresholds for elected workers' representatives: a lower one allowing employees to elect their delegates (5 employees in Slovakia, 6 in Spain, 10 in France and the Netherlands, 5 to 20 employees in Belgium according to sector-specific arrangements), and a higher one for works councils. Works councils are compulsory in a few countries (France, the Netherlands, Slovakia, Slovenia and Spain) for employers with more than 50 employees (100 in the case of Belgium, where joint committees are established), while in Greece, non-unionised firms display a lower threshold for electing workers' representatives than in unionised ones (respectively 21 and 50 employees) where trade unions can appoint their representatives regardless of the company size. In general, the rights of these representatives do not differ, with the notable exception of the Netherlands where the so-called mini works councils¹⁸ have no right to call the employer into courts.

Table 1: *Thresholds for general employee representation*

Country	Employees representatives / Works council / joint bodies	Trade union representatives
Austria	5 employees	no threshold
Belgium	100 employees	5 to 20 employees depending on collective agreements
Bulgaria	50 employees	no threshold
Cyprus	–	21 employees
Czech Republic	3 employees	3 members
Denmark	35 employees (cooperation committee)	5 employees
Estonia	no threshold (employee trustees)	5 employees
Finland	20 employees	10 members
France	10 employees (staff delegates) 50 employees (<i>comité d'entreprise</i>)	no threshold
Germany	5 employees 100 employees (<i>Wirtschaftsausschuss</i>)	no threshold
Greece	50 employees, but 21 if there is no trade union presence in the company 'Associations of employees' in non-unionised firms: 5 employees	21 members
Hungary	15 employees (works representative), 50 (works council)	10 members
Ireland	10% of employees, min. 15 employees requesting	no threshold
Italy	15 employees (<i>Rappresentanze Sindacali Unitarie – RSU</i>)	no threshold
Latvia	5 employees	50 employees
Lithuania	No threshold (employee representatives)	20 members or at least 10% in companies with more than 20 employees

¹⁸ In enterprises with 10 to 50 employees a 'mini' works council may be established, but this is only mandatory if the majority of employees express the wish to have such a council. In enterprises with fewer than 10 employees it is the employer who chooses whether a mini works council should be established. In SMEs employing 10 to 50 employees without a (mini) works council, the employer has to organise a meeting of employees every six months.

Country	Employees representatives / Works council / joint bodies	Trade union representatives
Luxembourg	15 employees* (employee delegation) 150 employees (<i>comité mixte</i>)	
Malta	50 employees (structures for information and consultation purposes)	5 members
Netherlands	50 employees* 10–49 (<i>mini works councils</i>)	no threshold
Norway	50 employees* 30 employees for access to the board	no threshold
Poland	50 employees	10 members
Portugal	no threshold	no threshold
Romania	20 employees	15 members, representing at least 50%+1 employees
Slovakia	5 employees (employee trustees) 50 employees (works council)	no threshold
Slovenia	no restriction (delegates) 20 employees (works council)	no threshold Trade union is regarded as representative if at least 15% of workers are organised
Spain	6–50 employees (delegates), sometimes less according to collective agreement 50 employees (works committee)	no threshold
Sweden	not provided for	no threshold
United Kingdom	50 employees	20 members

Note: * compulsory

Sources: Eurofound Network of European Observatories (NEO) correspondents' contributions 2013 and Eurofound 2011c

Table 2 illustrates the significant diversity of national industrial relations systems and the implementation of the European Directive on information and consultation. Only Portugal and Slovenia do not have any restrictions on both forms of workers' representation; the latter requires 15% membership in order to establish trade union representation. The Swedish co-determination at work act and the act on trade union representatives have not defined any company size restriction for trade union representation while a further 10 countries (Austria, Bulgaria, France, Germany, Ireland, Italy, Lithuania, the Netherlands, Slovakia, Spain) and Norway allow in principle either form of employee representation in all workplaces. On the other hand, Finland, Hungary, Luxembourg, Poland, Romania and the United Kingdom do not provide for any employee representation channel in micro companies. Whether or not these differences in the regulatory frameworks contribute to differences in the coverage of employees by institutional forms of interest representation is discussed further in section on 'Coverage, quality and contents of social dialogue' below. It should be noted that in many countries, such as Italy and Spain, OSH representatives are selected from among staff representatives or works councils.

Table 2: Workplace employee representation patterns in micro and small companies

	Trade union representatives	No restriction	Existing in micro companies	Existing only in small companies	Exclusion of micro and small companies
Works Council / Employee Representation Body					
No restriction		PT, SE*, SI	EE, LT	CY	
Existing in micro companies		AT, DE, ES, SK	CZ		BE**, LV
Existing only in small companies		FR, IE, IT, NL	DK** GR***	FI**, GR, HU, RO	LU
Exclusion of micro and small companies		BG, NO	MT	PL, UK	

Notes: * only TU representation; **joint committees in small companies; *** varies depending on collective agreements; *** associations of employees in non-unionised firms

Source: Eurofound NEO correspondents' contributions 2013 and National contributions, Eurofound 2011c.

On the other hand, few countries have implemented the EU Directive on information and consultation of employees by setting lower thresholds or by differentiating their rights according to their form of establishment.

In Denmark, shop stewards in companies with at least five employees are the main actors in information and consultation practice, while joint cooperation committees are provided for by the national cooperation agreement only in companies with at least 35 employees. In Austria and Germany, the employer has to inform the works council, if one is established, at least on a quarterly basis, thus also including firms below the threshold defined by the EU Directive. The works council also has to be notified in advance about any planned recruitment, internal promotion, internal transfer or dismissal.

In Spain, workers' delegates (in firms with 10 to 50 employees – and in firms with 6-9 employees only if the majority of workers decide so) and workers' committees (in firms with more than 50 employees) should be established. They have the right to a wide range of information, to be provided on a quarterly basis, about their companies' performance, employment and recruiting practices and organisational decisions, such as subcontracting and sanctions imposed for serious misconduct. They also have consultation rights prior to any action taken by the employer in relation to restructuring, including dismissals, working time reduction and analysis, training, work organisation changes, relocation, collective transfer and mergers, takeover or modification of the enterprise's legal status.

In the Czech Republic, there are reduced information and consultation obligations and rights in micro companies compared to larger firms. Employees in micro companies do not have the right to be informed about the company's performance and the employer's legal status and any changes to this status, or to be consulted on the employers' plans in terms of structural changes including possible redundancies. Neither do they have the right to updated and accurate information about workforce composition and changes in working conditions. However, employees in micro enterprises do have the right to be informed about these matters and consulted in cases of a transfer of the undertaking, OSH and issues dealt with by the European works council. In Slovakia, employees have to be consulted directly or indirectly by the employees' trustees in case of collective redundancies, transfer of undertakings and organisational changes having a relevant impact on employees, regardless of company size.

Recent changes in the social dialogue settings

Since 2008, only a few countries have seen changes to their social dialogue institutions that have had a significant impact on micro and small companies. Greece, Estonia, Germany and Hungary introduced relevant changes in general workers' representation thresholds (or the way these thresholds are determined), Italy made some changes to the collective bargaining system, and Romania introduced changes in both. Finally, no Member State experienced any change in the information and consultation framework.

Only two countries extended employee representation. In Estonia, in 2009 temporary workers gained the right to be consulted by their employer, while in Germany a 2013 Federal Labour Court judgment ruled that contract workers must be included when determining the threshold for works councils' elections; a measure that affects all companies including micro companies. Finally, a 2010 reform in France included employees in firms with fewer than 11 employees in order to measure trade unions' representativeness.¹⁹

¹⁹ For further details on the national examples described here, see the Eurofound NEO correspondents' contributions to the questionnaire survey carried out in the context of this study. All are available on the Eurofound website.

According to the Greek national contribution to this study, after a 2011 reform, employees in non-unionised firms with 5 to 40 employees can establish a ‘temporary’ representative body, the so-called ‘associations of persons’ for a maximum of six months. This body is intended to facilitate the conclusion of collective agreements at the level of SMEs. This regulation displays some similarities with the Dutch ‘mini works councils’, established in small companies with 10 to 50 employees, which enjoy a reduced set of rights. On the other hand, the minimum number of workers required for the legal establishment of a trade union remained unchanged at 21.

By contrast, Romania and Hungary restricted the right of employees in micro and small companies to establish trade union structures at company level. In Romania, according to the 2011 Social Dialogue Act (SDA), the minimum number of members needed to form a union at company level is now 15 and, in order for the union to be regarded as representative, the majority of employees (>50%) have to be members of the union (previously the proportion was one third). This means that companies with fewer than 15 employees are excluded from the scope of social dialogue, as there cannot be any internal workers’ representatives in companies below that threshold. At the same time, the Romanian 2011 SDA provides for company-level collective bargaining only for companies with more than 20 employees. If no trade union exists, the employees’ interests can be represented by an employee interest representation body, elected in the general meeting of the employees, by the vote of at least half of the total number of them, for a term that may not exceed two years.

This regulation is even more restrictive than the Hungarian one introduced in 2012, where a trade union can establish representatives in a workplace with at least 10 employees and a workers’ representative can be elected in a workplace with at least 15 employees. In Cyprus, on the other hand, the 2011 act revising the OSH system lowered the company size threshold for establishing OSH workers’ representatives from five to two.

In Luxembourg, the 2013 reform left unchanged the mandatory obligation to elect employee representatives in firms with at least 15 employees, but removed the obligation to establish joint committees in firms with at least 150 employees, thus leaving unchanged representative patterns in small firms.

Changes were made to the Italian bargaining system by means of a 2011 agreement between Confindustria (the large employers’ association, including a small business section) and the trade unions Cgil, Cisl and Uil, setting the majority rule as the basic criterion for opting out from the national labour contract. These changes also affect micro and small companies. On the other hand, Law 148/2011, which considerably extended opt-out opportunities to employers of any size, was declared by the Constitutional Court to be unconstitutional in July 2013. Under the 2011 law, only unions that are signatories of a collective agreement applied in a particular workplace have the right to appoint union representatives to that workplace. The court deemed that this was unconstitutional because it meant that the union’s ability to establish representation structures would depend on its acceptance of the specific contents of an agreement, thereby constraining the freedom of the unions not to accept the provisions of the collective agreement.

The 2012 bipartite ‘Agreement for employment and collective bargaining’ (2012–2014), signed by Spanish social partners in employers’ associations representing large as well as small businesses, acknowledged the specific situation of small and medium companies when it recommended that social partners introduce opt-out clauses in collective agreements allowing enterprises to temporarily derogate from an agreement on working times, pay systems, shift work and work organisation.

In Poland, the transition phase that foresaw the election of works councils only in companies with at least 100 employees expired on March 2008. Furthermore, in July 2008, the Constitutional Court rejected as unconstitutional the practice by which works councils were appointed by trade unions, and an Act in 2009 established the obligation to elect works councils in every case.

Changes in social dialogue and representation patterns

The analysis of the national Network of European Observatories (NEO) contributions for this study showed that there are three patterns of social dialogue, above the company level specifically addressed to micro and small firms which exceed the regulation of employment conditions usually managed by collective bargaining. These are tripartite institutions, bipartite actions and institutions – mostly at sector level or with micro and small employers' associations at cross-sector level, and territorial workers' representatives.

There is limited evidence about tripartite institutions specifically addressed to micro and small companies as such. Micro and small employers' associations seem to display a clear preference for a direct relationship with national governments, rather than working through tripartite bodies. There is some evidence of the activity of tripartite institutions on OSH issues, where such institutions are present, thus complementing the participation of micro and small companies in both concerted tripartite bargaining and general tripartite institutions.

At general tripartite institutions level, the most noticeable change is reported in Latvia, where the SME and crafts tripartite consultative body, established in 2002, was incorporated in 2013 into the National Economy Council (NEC) affiliated to the Ministry of Economics as the NEC Micro and Small Enterprises Committee. This new body, which also includes territorial-level development agencies and representatives from academia, is intended to promote the development of SMEs and help create a business environment favourable for SMEs. The aim is to reduce administrative burdens for micro and small enterprises, with the introduction of the 'SME test' and the implementation of the Small Business Act. Therefore, the committee focuses more on development policies by promoting SMEs than on the specific demands of micro and small companies.

Tripartite institutions concerned with OSH issues display a wider diversity. In the United Kingdom, the Health and Safety Executive (HSE) was established in 2008 as the national independent institution for health and safety at work. In the construction sector, the Construction industry advisory committee (Coniac) was established in 2011 as a consultation body. Unlike the Small Business Trade Association Forum, established in 1994, it includes both employer and employee representatives. Coniac thus complements activities carried out by the Construction Skills Certification Schemes (CSCS), a bipartite institution managed by the constructions' Sector Skills Council, a Construction Industry Training Board, which in turn is promoted by the sector-level employers' association and promotes training. The CSCS helps employers to ensure the competence and safety training of subcontracted labour by certifying employees' competences: the scheme is increasingly used on large sites. Thus, the construction sector is the only sector in the UK with a fairly complex network of institutions promoting OSH policies involving all relevant actors, comparable with countries having a robust tradition of collaboration between the social partners, such as the Nordic countries.

In Cyprus and Slovenia, tripartite Health and Safety Councils were established in 2011, acting as general institutions and thus without a specific focus on the characteristics of micro and small companies. Despite this, they have some impact on smaller companies. The Pancypriot Safety and Health Council plays both an advisory and a mainstreaming role in promoting OSH policies, supported by its own research activities. It is therefore more heavily involved in social dialogue than other institutions existing at national level, such as the Labour Advisory Board, and its activity is integrated with that of district-level safety and health tripartite advisory committees, involving also the small and micro businesses' professional associations. According to the Cypriot labour inspectorate (DLI), the involvement of these professional associations at district level plays a crucial role in mainstreaming information and raising awareness among their affiliates, thus supporting public bodies in preventive actions.

The Slovenian Health and Safety Council focuses more on technical aspects, as its activities centre on evaluation. It is composed of social security and OSH experts appointed by the Ministry for Work, Family, Social Affairs and Equal Opportunities as well as representatives of social partner organisations delegated by the Economic and Social Council.

On the other hand, bipartite social dialogue addressed to micro and small companies often has to design specific arrangements that are different from those addressed to larger firms in order to meet the specific needs of smaller companies.

The crafts and construction sectors have produced several specific arrangements of this type and dynamism over the past five years. These sectors seem to implement the most successful actions, thus displaying a higher propensity for social dialogue.

This is the case in Slovenia, where two representative employer organisations, OZS and the Chamber of Small Business and Trade (PTZ), display a tradition of successful social dialogue by regularly signing sector-level multi-employer collective agreements with trade unions, e.g. the Collective Agreement between Workers and Small Companies (KPdg) and the Collective Agreement for Small Craft and Entrepreneurship (KPop).

In France, social dialogue in micro and small companies has seen significant change since the 2010 representativeness reform. According to the French labour code, employers' organisations and trade union organisations recognised as representative (as they received at least 8% of the votes in a sector) may constitute local joint committees ('commission paritaire professionnelle') on a voluntary basis, with a particular focus on health and safety issues. In the draft of the representativeness reform the introduction of these committees was declared to be compulsory. As a reaction to the change in wording, the Craftwork Employers' Association (UPA), signed a declaration in favour of the creation of local joint committees with all representative trade union organisations, excluding the General Confederation of Labour – Force Ouvrière (CGT-FO).

Italy is probably the EU Member State with the most consolidated bipartite social dialogue practice specifically addressed to micro and small firms both at sector level (where large employers such as in retail, hotels, restaurants and catering (HORECA), construction and agriculture historically play a limited role) and at cross-sector level in the craft sector. In addition bipartite cross-sector training funds, created in 2000, were also adopted by craft, commerce and HORECA, and SMEs employers' associations, in cooperation with trade unions. They finance training plans at territorial or inter-firm level, covering a wide set of issues, including OSH.

Since 2008, these sectors have witnessed considerable changes to bipartite bodies in small and micro firms, especially in terms of combining active and passive labour market measures and in managing OSH. In 2008, the new Single Act on occupational health and safety required the establishment of joint committees at national and territorial level in order to promote workplace inspections and prevention. For instance, the 2011 craft sector agreement provides for the establishment of these committees at national, regional and territorial levels. The national joint body is primarily responsible for the promotion and planning of training initiatives, in connection with the craft cross-sector training fund, for the collection and analysis of prevention best practices, the development of initiatives for workplace health and safety and helping companies meet their obligations in the field of health and safety. It also monitors the network of regional and territorial joint bodies. The regional and territorial bodies have similar responsibilities in the fields of promotion and development of health and safety initiatives and are actively involved in the operations of the health and safety representatives.

Regulation and regulatory change of workplace social dialogue on health and safety

As outlined by the Community strategy 2007–2012 on health and safety at work (COM/2007/0062 final), SMEs are a main target as they have 'fewer resources to put complex systems of protection in place, while some of them tend to be more affected by the negative impact of health and safety problems'. The strategy envisages a simplification and adaptation of existing legislation applicable to SMEs, together with various other forms of support such as dissemination of good practice, training of employees, development of simple risk assessment tools and guidelines, access to affordable

and good quality prevention services and financial incentives. Cooperation between labour inspectorates and public OSH services and social partners was also recommended.

On the other hand, in order to achieve the Small Business Act goal of reducing the administrative burdens of enterprises by 25%, both the employers' side and high-level committees have called for reduced compliance with OSH regulation. This suggestion has been opposed by trade unions. The 2012 Commission Staff Working Document 'Action Programme for Reducing Administrative Burdens in the EU' (European Commission, 2012b) proposed as a possible solution the promotion of initiatives such as guidelines or tools 'to facilitate compliance by enterprises with obligations set by legislation', such as the EU-OSHA online risk assessment toolkit OIRA, and envisaged a positive role for social dialogue in tackling such a goal.

Regulation of workers' representatives with specific responsibility for the safety and health of workers is governed by the Directive 89/391/EEC according to a participatory approach to OSH management at company level. In accordance with Article 3 (c) of Directive 89/391/EEC, for the purposes of this Directive, workers' representative with specific responsibility for the safety and health of workers means any person elected, chosen or designated in accordance with national laws and/ or practices to represent workers where problems arise relating to the safety and health protection of workers at work. In the system of the Directive the workers' representative with specific responsibility for the safety and health of workers plays an important role in the protection of health and safety of workers, by being entrusted with important representation, consultation and participation functions.

Twenty-one countries have established some minimum company size thresholds in order to establish OSH employee representatives:

- 2 employees: Cyprus;
- 5 to 9 employees depending on country: Bulgaria (as a joint OSH working group), Latvia, Spain and Sweden;
- 10 to 19 employees depending on country: Austria, Denmark, Malta, the Netherlands, Luxembourg and Italy; except for the latter, they are mandatory, although in the case of the Netherlands only in companies with more than 50 employees;
- 20 to 49 employees depending on country: Germany, Finland (both as joint committees on OSH) and Norway, all mandatory;
- 50 employees are required in Belgium, Estonia, France, Hungary, Lithuania and Romania: except in Hungary they are mandatory;
- 250 employees in Poland, with a mandatory OSH joint committee.

As summarised in Table 3, 15 Member States have defined as mandatory OSH bodies that involve employee representatives, either as OSH workers' representatives as such or as members of a joint committee. They are compulsory in small enterprises in six countries (Austria, Denmark, Germany, Finland, Luxembourg and Malta) with specific arrangements. In Austria, OSH information and consultation rights in micro and small companies have a distinctive pattern. Employers with at least 10 employees have to appoint a safety officer from among their employees, with the consent of their colleagues, or from the works council. Such safety officers receive specific training and have information and consultation rights. In companies with more than 100 employees OSH committees have to be established. In Denmark, the work environment representative is elected in companies with at least 10 employees. In Luxembourg, OSH workers' representation is compulsory in companies with at least 15 employees, while in Finland and in Germany an OSH committee must be established in companies with at least 20 employees. According to the 2011

OSH act in Slovenia, a safety officer must have the same rights as those applying to a works council, thus making Slovenia the only Member State where all workplaces are legally obliged to have a workers' representative with specific responsibility for health and safety at work. In Slovakia, the OSH employee representatives should be appointed by the employer on the basis of a proposal made either by employees or their representatives. In Malta, workers' OSH representatives can be elected, chosen or otherwise designated. Finally, in Bulgaria, companies with at least five employees can establish a working group on health and safety.

Table 3: OSH employee representation

Country	OSH workers' representatives	OSH joint committees
Austria	10 employees (safety officer)	100 employees with external experts
Belgium		50 employees
Bulgaria	50 Employees	5 to 50 employees
Cyprus	2 employees	
Czech Republic	No regulation	
Denmark		10 employees
Germany		20 employees with external experts
Estonia	10 employees	50 employees
Spain	6 employees	50 employees
Finland	10 employees	20 employees
France		50 employees
Greece	No threshold	
Hungary	50 employees	
Ireland	No indication	
Italy	15 employees	
Luxembourg	15 employees	
Latvia	5 employees	
Lithuania		50 employees
Malta	10 employees	
Netherlands	10 employees (WC), 50 employees	
Norway	20 employees	
Poland	250 employees	
Portugal	No threshold	
Romania		50 employees (less if imposed by labour inspectorate)
Sweden	5 employees	
Slovakia	No restriction, 50 employees per OSH representative	
Slovenia	No restriction	
United Kingdom	Compulsory with recognised trade union	

Note: in bold = compulsory

Source: Eurofound NEO correspondents' contributions 2013 and Eurofound 2010a.

Table 4 synthesises the national situations regarding regulations for the establishment of general employee representation (either elected by employees or appointed by trade unions) and on the specialised representatives on OSH issues in micro and small companies.

Table 4: Regulation of OSH employee representation in micro and small companies

	OSH-specific representation	OSH dealt with in the context of general representation	Either general or OSH-specific representation
No restriction	GR, PT, SI, SK	FR, IE, NL	
Possible in micro companies	BG, CY, SE	CZ, HU, LV, LT, MT	ES
Possible only in small companies	EE, NO, UK	PL	IT
Compulsory in small companies	AT, BE**, DK, DE, FI, LU, MT, RO*		

Notes: * if imposed by Labour inspectorate ** mining sector only
Source: Eurofound NEO correspondents' contributions 2013 and Eurofound 2010a.

The company size threshold for establishing OSH representatives is generally higher than for works council establishment or employee delegate elections in Austria, Denmark, Germany and Estonia (10 employees). Only Bulgaria has a lower threshold for OSH than for general representation. Finally, it should be noted that, in Romania and Belgium, OSH committees can be established in companies with fewer than 50 employees. In Belgium they can be established at workplaces with at least 20 employees in the mining sector while in Romania they can be imposed by the labour inspectorate in cases where there are intrinsic risks related to the production process.

Portugal and Slovenia do not have any size restriction on the establishment of both general and OSH workers' representatives, while 10 countries do not distinguish between general and OSH representatives in micro and small firms, as OSH workers' representation is only provided for in larger firms (Belgium, France, Hungary, the Netherlands, and Lithuania for those with more than 50 employees; in Poland OSH committees are compulsory in companies with at least 250), or do not identify any specific regulation, as in the case of Czech Republic, Ireland and Malta.

In a strict sense, restrictions on the establishment of OSH workers' representatives cannot be considered as a limitation to social dialogue and information and consultation rights. Many EU countries impose obligations on employers to inform and consult their employees regardless of the presence of any representative structure, while in six countries OSH representatives are mandatory; for example the safety officer appointed by employers in Austria, with employees' consent, to serve on safety committees.

Portugal, Slovenia and Denmark introduced some changes in occupational health and safety (OSH) work representatives' scope of intervention, while in Cyprus changes affected the overall design of OSH.

Some of the countries that introduced legislative change in the representative structure also introduced changes in their information and consultation rights. This was the case in Cyprus, where the 2011 act expanded employers' duties, while the impact was minor in Slovenia and Portugal. In Greece, the extension of the right to establish OSH representatives in enterprises with fewer than 20 employees did entail some differences in their information and consultation rights, in a similar way to the Czech Republic as described above.

Only in Denmark and France have the competences of OSH representatives been strengthened since 2008. The 2010 Danish reform, whereby the OSH workers' representatives were renamed 'work environment representatives', widened their competences by including psychological aspects ('well-being at work') as a new task, thus conferring rights of intervention on psychosocial risks, and the right to discuss the risk assessment documents with the employer once a year. On the other hand, the 2010 French pension reform assigned the analysis of workers' exposure to strenuous tasks to the joint committee on OSH (CHSCT), which is compulsory only in firms with more than 50 employees.

Changes in occupational health and safety workers' representatives thus can be grouped into three types:

- *Changes in the threshold:* this is the case of Cyprus, where the threshold was lowered from 5 to 2 employees, and of Greece, where the 2010 'Code of Laws on the health and safety of workers' introduced the option of electing one OSH workers' representative in enterprises with fewer than 21 employees. If an employees' council is already established, this council designates the OSH representatives among its members, otherwise the employees elect them at a general assembly every two years by direct and secret ballot.
- *Changes in their rights and competences:* in terms of protection (Slovenia, where the OSH employee representative is compulsory), right to paid leave and training (Portugal), right to be consulted by the employer (Cyprus, Portugal and Slovenia), analysis of exposure to strenuous tasks (France) and well-being at work and psychosocial risk factors (Denmark).
- *Development of alternative forms of OSH workers' representatives,* such as at territorial level: Italy expanded their scope to small and medium firms (2011 agreement with Confapi) and Norway expanded it to the hotel sector.

Among the countries that have made changes to the rights and competences of OSH workers' representation bodies, the 2011 Slovenian Health and Safety Act establishes that they must be given the same rights as those granted to a works council. This clearly targeted micro and small firms, although the act does not stipulate any company size as a level above which it would be legally binding to elect risk prevention representatives.

In some countries, new regulations on OSH established new tasks and rights for both OSH workers' representatives and employers. The new harmonised legislation established in 2009–11 in Cyprus, Portugal (before the Troika intervention) and Slovenia requires the employer to consult their employees or their representatives on OSH, in the case of Slovenia including issues such as risk assessment, choice of the safety officer, occupational health service providers, employees responsible for first aid, and fire protection and evacuation.

In France, as mentioned above, the 2010 pension reform stipulates that the workplace health and safety committees (CHSCT) should analyse workers' exposure to strenuous tasks, while in Denmark the 2010 amendments to the Executive Order on OSH changed the 'OSH representatives' into 'work environment representatives' (WER). This shift widens their scope to well-being at work in general and psychosocial risks, so they have a similar role to their counterparts in Sweden. These WER are compulsory in firms with at least 10 employees, and employers are required to discuss work environment interventions, including risk assessment and evaluation, with employees once a year regardless of company size.

In Portugal, the 2009 law promoting safety and health at work (Law 102/2009) stipulates that health representatives be elected by all employees of a company. Candidates are proposed by the trade unions with members in the company or by at least 20% of the workers. The representatives have a time credit of five paid working hours a month and have the right to meet the management of the company at least once a month. The employer is obliged to create the conditions for the health representatives' continuous education and training for their function, including paid leave.

Finally, territorial-level workers' representatives were viewed as a possible way of allowing micro and small firms' employees to benefit from a comparable level of labour contract and working conditions compliance as in the case of larger premises. In Sweden, there is a general regulation for the whole economy covering firms with fewer than five employees, while some countries introduced them at sector level (Italy, Norway and Belgium) and others only at local level. According to the Swedish national contribution, employers in micro and small companies often contact one of these regional safety representatives after the workplace has been inspected by the Work Environment Authority. The representative then visits the workplace to suggest solutions for improvements.

In 2010, the Norwegian government introduced regional safety officers appointed by trade unions into the hotel, restaurant and cleaning industries. Similar officials had been operating in the construction industry since 1981. Their activity is financed by means of a fee paid by the employers. They cover workplaces that do not have either a safety representative or a Working Environment Committee, and have the same authority as local safety representatives until the company's own safety representative is elected. In Bulgaria, municipal councils for health and safety take care of micro and small companies. The introduction of regional OSH structures in Slovenia was envisaged by the Social Agreement 2007–2009 but was abandoned as it would have required considerable legislative changes.

As far back as the 1990s, the Italian craft sector established territorial workers' representatives for both general representation and OSH issues, covering firms with fewer than 15 employees. They are full-time trade union officers whose activity is financed by a specific levy collected by the bipartite sector-specific body. The OSH territorial workers' representatives play an important role in providing resources to both employers and employees in managing OSH issues. Similarly, the Dutch 'arbo-covenant' officers (trade union representatives with specific safety expertise who visit workplaces) at sector level act mainly as technical advisers as they do not hold any representative legitimacy.

Comparing territorial workers' representatives: Italy and Sweden

Sweden's Regional Safety Representatives (RSR), established in 1949 in the construction and forestry industries and extended to the overall economy in 1974, have been a reference pattern for the establishment of territorial workers' representation in other Member States. In 1989, territorial-level workers' representation was established in the Italian craft sector for general matters and in 1996 for OSH. However, there are a number of specific features and differences.

In Sweden, RSR do not differ significantly from workplace representatives in terms of their right to inspect and investigate occupational health at the workplace, to request changes they consider necessary in order to improve working conditions, to promote employee participation and to activate external health and safety services for inspections. They are financed by workers' protection contributions paid by the employers to the Swedish Work Environment Authority, which funds trade unions and, to a lesser but increasing extent, by the trade unions that appoint them.

In the Italian craft sector, both general and OSH territorial representatives are appointed by trade unions and financed via a specific contribution collected by the regional bipartite body. The general representatives provide assistance in connection with bipartite bodies' contributions and in cases of individual disputes. The OSH representatives have the right to visit workplaces without their own OSH workers' representation and to provide assistance and advice to both the employer and the employees. They have the right to refer to a territorial-level OSH joint committee in case of non-compliance and to the OSH services only if the employer is still non-compliant after the joint committee recall. Similar rules were introduced by the 2011 Confapi-Cgil-Cisl-Uil agreement to small firms with fewer than 15 employees. In the construction sector, the provincial-level bipartite Construction Fund ('Cassa Edile') appoints safety experts to carry out visits to building sites: social partners are currently considering whether and how to introduce territorial OSH workers' representatives.

Social dialogue practices in micro and small companies

OSH policies for micro and small companies

The issue of resources is an important aspect for health and safety intervention in small and especially micro businesses. It includes not only the financial aspects, but also the availability of guidelines and general information to first raise awareness and then address intervention, by providing toolkits and checklists to help in risk assessment, training for both employers and employees carrying out specific tasks, and OSH workers' representatives, if any, and external expertise if required. Resources can be provided by public institutions (health and safety services, social security organisations, labour inspectorates) or social partners, both on their own and in partnership.

Since 2008, some countries have developed OSH measures addressed to all enterprises regardless of their size, for example the new Member States and Greece, under the Community strategy on health and safety at work 2007–2012.

Resourcing: toolkits, guidelines and training standards

According to the national contributions to this study, Greece, Lithuania, Latvia, Malta Romania and Spain have developed a considerable set of new toolkits, guidelines and actions addressing SMEs in general and in some cases micro and small companies in particular. These activities are part of their national Action Plans implementing the Community strategy on health and safety at work 2007–2012, which pays particular attention to SMEs. While in Greece, Malta and Spain national OSH institutes play a major role, in the other countries it is the labour inspectorate that provides the support. In Greece between 2010 and 2013, a special axis was established for the provision of support to SMEs within the framework of the National Health and Safety Strategy. This was underpinned by guidelines, risk assessment tools and manuals developed by the Greek Ministry of Labour and Health and the Safety Council (ELINYAE). These actions are complemented by social partners' action (see below).

The Maltese OSHA revamped its website in 2012, providing easier access to a variety of resources for small and micro enterprises, mainly sector-specific educational materials, and organised targeted campaigns such as those for furniture manufacturers (2011) and spray painters and panel beaters (2010–11), and a stakeholder seminar for hairdressers (2012). The authority is currently formulating a framework for tackling work-related stress.

The Spanish National Institute on Safety and Hygiene in the Workplace (INSHT) developed a Guide for the Evaluation of Working Conditions in SMEs, a simple methodology with goals and criteria that can be followed in any company by means of a set of questionnaires. In 2011 INSHT also published the Analysis on the Occupational Hazards of the self-employed, which provides an evaluation of the occupational hazards recorded by self-employed workers who were on medical leave during 2010.

Under the Phare²⁰ programme, the Romanian labour inspectorate introduced a project for the 'Implementation of harmonised legislation on health and safety at work in SMEs'. Six pilot centres introduced good practice in six economic sectors, based on the dual approach of inspecting companies for compliance with health and safety legislation, and guiding employers to develop their own risk assessment techniques. By 2010 these centres already covered the whole country. The National Institute of Research and Development in Labour Safety complemented the labour inspectorate's action by publishing 13 guidebooks on exposure to various risk factors, including psychosocial ones, available from the institute website.

²⁰ Phare is the main channel for the European Community's financial and technical cooperation with the accession countries of central and eastern Europe.

In some countries, action by the national public labour inspectorate is complemented by, or encourages, social partners' joint action. In Cyprus the labour inspectorate declares as a strategic goal tripartite cooperation at both central and local level in complying with current regulation, while the Lithuanian labour inspectorate (VDI) offers on its website a number of recommendations, e-leaflets and manuals of good practice, toolkits and electronic tools for risk assessment, in close cooperation with social partners and with EU financing.

In Latvia, major changes included regulations (2009) on first aid training and devices, and training (2010) involving labour protection specialists, coordinators, employers, employees and trustees. This trend towards greater legislation on OSH was reversed in 2012 when the frequency of noise measurement at the workplace was reduced, and educational requirements were lowered for labour protection specialists in undertakings with 6–10 employees that operate in dangerous sectors.

The Polish National Labour Inspectorate has, since 2008, provided online guidelines addressed mainly at micro and small entrepreneurs to allow them to conduct risk assessment by themselves in a simplified way, but no complementary activity by and/or with social partners is reported.

Compliance with OSH requirements is still the dominant focus of labour inspectorates in those countries and sectors where micro and small companies mainly see risk assessments as a bureaucratic obligation and therefore too general and vague. This is the case with the Slovenian labour inspectorate, which intensified monitoring activities in 2013 at temporary and mobile construction sites.

Some countries with longer standing in OSH policies display different approaches: maintenance and regular updating of regulations, guidelines and checklists addressed to SMEs are reportedly being carried out in Belgium, Denmark, Finland and France.

Belgium illustrates a more articulated approach by adopting changes within the framework of the national Strategy for Well-Being at Work 2008–2012. This includes a shift in the focus – from small and micro companies as addressed in particular by the Pro-Safe project, in favour of specific intervention in sectors dominated by micro and small companies. Examples are an intervention in the hotels, restaurant and catering sector which addressed psychosocial risks, and risk analyses carried out in hairdressing salons.

In Denmark, the Danish Work Environment Authority (AT) developed 62 industry-specific checklists aimed at SMEs, complemented by the social partners' bipartite Working Environment Council both at cross-sector (AMR) and sector levels (BAR). For further details see the part on Denmark in the 'External factors of influence' section in Chapter 3.

Finally, in 2012, Finland's Ministry of Labour established guidelines on occupational health services in firms with fewer than 20 employees. The aim was to provide specific support to both employers and employees in developing good OSH practices. The new guidelines also introduced an obligation on OSH service providers to inform both parties of their roles and responsibilities in health, safety and work ability promotion and what they can do in practice, combined with a risk assessment method addressed at small enterprises. This method integrates a workplace survey, which is the responsibility of the OSH service provider, and a (safety) risk assessment by the employer.

The French Health at Work Plan for the period 2010–2014 adopted by the Ministry of Labour aims to strengthen support to companies in their prevention efforts. Information on prevention issues and tools for risk assessment are provided on the website 'travailler-mieux.gouv.fr'. The focus is particularly on companies with fewer than 50 employees, which often lack employee OSH representatives. INRS, the French institute for research on safety, has provided both general and sector-specific guidelines for risk assessment.

In Ireland and Slovakia measures have been agreed on simplifying legal obligations on micro and small companies without harming levels of protection at the workplace. In Ireland, the Health and Safety Authority (HSA) developed a toolkit, BeSMART (Business electronic Safety Management and Risk Assessment Tool) in 2011 which allows business managers to generate their own safety statements and risk assessments. This tool has over 11,000 businesses as registered users and saves businesses €42 million a year in administrative costs.

In March 2012 Estonia introduced a combination of financial support for companies with fewer than 50 employees for work environment risk assessment, including employees' health check-ups, and free training courses for employers' work environment representatives in small and micro companies. This support was provided by the labour inspectorate to raise awareness of potential work environment risks and teach basic knowledge and skills. Both measures were co-financed by the European Social Fund.

OSH training policies addressed to micro and small companies

Under Article 12 (1) of Directive 89/391/EEC, the employer is obliged to ensure that each worker receives adequate safety and health training, in particular in the form of information and instructions specific to his workstation or job, on recruitment, in the event of a transfer or a change of job, in the event of the introduction of new work equipment or a change in equipment and in the event of the introduction of any new technology. The training must be adapted to take account of new or changed risks and repeated periodically if necessary. Workers' representatives with a specific role in protecting the safety and health of workers are also entitled to appropriate training (Article 12 (3) of Directive 89/391/EEC).

A number of national contributions to this study provide information on the relevance of training on OSH issues in micro and small companies.

In Italy, the main inter-professional training funds addressed to micro and small companies, Fondartigianato (craft sector) and Fapi (small and medium firms) include OSH issues among their budget lines. According to a 2013 report (Ires, 2013), almost 30% of training financed by this latter fund in 2011–2012 was addressed to OSH. OSH training activities increased significantly after the December 2011 agreement between central government and the regions set the training standards for both employers' and employee representatives. A minimum of 24 hours' initial training and an annual 8 hours' update are required for both parties. Training is provided by either OSH public services or training institutions, including universities, accredited by regional health services.

Members of work environment groups in Danish enterprises play an important role in disseminating and implementing OSH. Once established, their employer must register them for the compulsory 'Working environment training' (Arbejdsmiljøuddannelsen) for five days' initial training. However, tripartite recommendations call for the Minister of Employment to reduce the training from five to three days, and supplement the compulsory training with continuous training relevant to the particular conditions of enterprises, in order to make such training more flexible and enable enterprises, especially SMEs, to keep updated on emerging risks and the impact of technological change.

In Estonia, the Ministry of Social Affairs, together with the national training institute Foundation Innove and the labour inspectorate, established a comprehensive package aimed at promoting OSH, financed by the European Social Fund. The package provides financial support to micro and small companies carrying out risk assessments over the period March 2012 to September 2014. It also offers free training courses for work environment representatives in micro and small companies, including employers, in order to raise awareness of potential work environment risks and disseminate basic knowledge and skills on how to avoid potential occupational health risks and improve OSH.

Role of social partners in promoting OSH policies: Tripartite action

Tripartite action on OSH is first addressed to the total spectrum of firms regardless of their size, and then specific measures are addressed to micro and small companies. Among the vast range of initiatives covering most Member States, the ones selected are initiatives addressed to sectors which have a large presence of micro and small companies or to micro and small companies as such. The public authority acting as a pivot can be either the OSH national institute (Greece, Ireland), which are often tripartite bodies, or the work accident insurers, which could be public or with a public status (Austria, Germany, Italy) or bipartite, as in Sweden.

In Greece, the Hellenic Focal Point developed seven tools in cooperation with the safety council (ELINYAE) and the social partners for professional risk assessment in selected sectors where small and medium-sized undertakings are active (five tools were developed by ELINYAE and two by the Hellenic Focal Point). Pilot application programmes started in 2009 in automobile repair, hairdressing, bakeries, carpentry workshops, commercial stores, butcher shops and in business catering. The tools were created and piloted in cooperation with sector trade unions and undertakings, with the aim of developing them for widespread implementation.

In Ireland, the Health and Safety Authority, jointly with the social partners under the umbrella of the Construction Safety Partnership, promoted several sector-tailored initiatives, including the ‘Safety Management Pack for Contractors Employing 20 or less Employees’ (SMP20). This toolkit was designed to help small contractors establish and maintain an effective safety management system. It provides details of statutory health and safety duties and includes guidance and tools to enable compliance with these duties, and various ‘safe system of work plans’ (SSWP). These plans complement the Safety Statement required under the Safety, Health and Welfare at Work Act and are aimed at contractors, self-employed workers and employees to identify major hazards associated with work activities and to ensure that appropriate controls are in place before work begins.

The Austrian work insurers, AUVA, in cooperation with social partners, developed a web-based platform showing employers how to conduct an evaluation of health and safety risks (including psychosocial risks) at the workplace. Every employer must implement such an evaluation which is to be kept updated in case of changes in circumstances which might have an impact on risks at the workplace.

While addressing work-related musculoskeletal disorders in micro and small companies, the 2013–2018 Common German Occupational Safety Strategy (GDA) is characterised by a tripartite approach based on a wider partnership than the two approaches described above. The German approach involves public federal and local-level governments, the statutory accident insurers (public institutions implemented by the social partners autonomously – for further details see the part on Germany in the section ‘External influences’ in Chapter 3 below) and the social partners.

In Italy, following the 2001 tripartite agreement with the Italian Centre for Health and Safety at Work, the Italian Workers Compensation Authority (INAIL) aimed to establish OSH certification (SGSL). The social partners’ cooperation in promoting it was boosted after the 2008 Single Act on OSH both in individual, tripartite or by means of bipartite bodies local-level agreements. INAIL publishes a list of awarded projects and partnerships every year but does not provide any analytical report by sector, company size or type of partnership.

Role of social partners in promoting OSH: Bipartite action

While evidence on tripartite action addressing OSH issues in micro and small companies suggests that it has a complementary role, bipartite actions tend to address their needs with specific initiatives relying on the shared feeling that they display different patterns of intervention.

In Denmark, the dense network of tripartite (NFA) and bipartite institutions, both at cross-sector and sector-level working environment councils (AMR and BAR), is among the most consolidated practice of complementary action. AMR drafted the 2010 action plan, which focuses more generally on risks in the working environment rather than in enterprises, while BARs develop and update a vast number of guidelines, information material and questionnaires that are accessible to enterprises free of charge, such as leaflets targeting companies with fewer than 10 employees published by BAR Transport.

In Luxembourg, in 2009, the bipartite construction training institute IFSB launched the project SCIPRISC (*Système de Coaching Innovant pour la Prévention des Risques professionnels dans le Secteur de la Construction*) by recruiting and training six Health and Safety Prevention Coaches who will support companies, especially those with high levels of risk. The coaches will help the companies, mostly SMEs, to define their objectives and advise on the implementation of the measures considered, as well as ensuring follow-up throughout the project. The project also set up a specific exchange platform for OSH issues in companies, the *Forum de la Sécurité et de la Santé au Travail*, which is targeted at companies of any size, including micro and small, and promoted by the Union Of Enterprises in Luxembourg (UEL), the Association of Accidents Insurance (AAA) and Arcelor Mittal.

In the Netherlands, unions and employers negotiate so-called working conditions catalogues (*arbocatalogi*) at sector level, defining the best way to comply with the (general) norms in the Working Conditions Act. Currently, over 150 catalogues have been approved by the Ministry of Social Affairs and Employment, for a range of sectors, and are therefore taken into account by the labour inspectorate in their activities. In Sweden, there is consolidated bipartite cooperation on OSH which relies on two major institutions, the Labour Market Insurance Company AFA, owned jointly by Swedish social partners, and the non-profit organisation Prevent, set up jointly by the Confederation of Swedish Enterprise (Svenskt Näringsliv), the Confederation of Swedish Trade Unions LO and the Council for Negotiation and Co-operation (PTK), which provides knowledge and training. AFA funds research projects on working environment analysis while Prevent has released several publications targeting micro and small companies. One such publication is aimed at the wood industry and includes checklists, guidelines and an example of how to design an employee working environment survey. AFA and Prevent jointly produced several informative websites, some of them targeted at micro and small companies that often lack resources and skills, such as <http://www.kemiguident.se>, a guide intended for those who work at a small companies that use chemicals or where employees are exposed to air pollution.

Further partnerships are the Swedish Work Environment Institute (IVL), established by the Swedish government and employers, which promotes an information website about safety in welding (<http://www.svetsaratt.se>), and the association 'Healthy Working Life – Parties for Prevention' established in September 2012 by employers and trade unions in the local government sector. The association invests in development projects, research, and dissemination of knowledge and experience. The association is based upon cooperation and partnerships that arise from projects initiated by AFA.

OSH policies addressed to micro and small companies and the Small Business Act: From unilateral to tripartite intervention

Most national contributions show that measures in the context of the Small Business Act (SBA) focus on business regulation, financing and other administrative burdens on the one hand and on specific financial support on the other (Slovenia, Italy). Few countries initiated interventions specifically addressed to employment and OSH. In many cases, policies from public institutions and social partners, including joint actions, can also be seen as increasing regulatory compliance.

While, in Germany, employers' associations favour exemption from risk assessment for companies with fewer than 10 employees, an initiative of the Christian Democrat and Liberal coalition government to exempt micro businesses from new areas of employment law for a fixed period from April 2011 has not been implemented.

The United Kingdom government has been taking extensive action to reduce the administrative burden of OSH preventive measures. This is against the background of the government's success in the infringement proceedings brought by the Commission against the United Kingdom (Case 127-05) relating to the 'reasonably practicable' clause in UK OSH legislation.²¹

Employers in micro and small businesses have complained that they found it difficult to identify appropriate OSH consultants to assist them in statutory OSH activities, and this difficulty increased their administrative burden. In order to tackle this problem, the Baron Young (Young, 2010) report on occupational health and safety recommended the implementation of a register of occupational health and safety consultants. Such a register was established by the Health and Safety Executive in 2012.

At a regulatory level, the 2011 Department of Work and Pensions 'Lofstedt report' reviewing OSH regulation pointed out that regulation was placing heavy costs on business whilst doing little to improve health and safety outcomes, mainly due to the way it is interpreted and applied. In some cases this is caused by inconsistent enforcement by regulators and in others by the influences of third parties that promote the generation of unnecessary paperwork and a focus on health and safety activities that go above and beyond the regulatory requirements. Sometimes the legislation itself can contribute to the confusion through a lack of clarity or apparent duplication in some areas, as well as duties that could be removed, revised or clarified in order to reduce regulatory requirements that offer little in terms of improving health and safety outcomes. The report recommends, among other measures, exempting from health and safety law self-employed people whose work activities pose no potential risk of harm to others, that HSE undertakes a programme of sector-specific consolidations to be completed by April 2015 to reduce the number of regulations by about 35% and that HSE should review Approved Codes of Practice (ACoPs) and reduce them from 200 to 53.

With regard to inspection, in September 2012 the government announced that environmental health officers would no longer inspect low and medium risk sites, nor would they assist in resolving minor breaches. This means that there will be no routine inspections ensuring that low and medium risk organisations are complying with the requirement to consult staff in relation to health and safety at work.

Spain is apparently moving on a similar track. Simplified forms were produced for use by companies with fewer than 50 employees in developing prevention plans and carrying out risk evaluation, while those organising the prevention system with their own resources are exempt from being audited by labour inspectors. Moreover, employers can personally assume prevention tasks in companies with fewer than 11 employees (previously fewer than 7 employees).

The Slovenian National programme of health and safety singles out small employers as a group for which the regulatory framework in the field of health and safety acts as a set of 'soft laws', to be complemented by non-obligatory instructions and recommendations agreed by social partners. This approach apparently promotes simplification by means of social dialogue. Also in the interests of simplification, other countries have tasked inspection bodies, often in cooperation with social partners, with assessing whether formal requirements correspond with an effective benefit to employees at the workplace. Norway is a clear-cut example of simplification carried out in a tripartite way by the Labour Inspection Authority and the social partners, by reducing administrative regulations based on the Working Environment Act from

²¹ The EC challenged the use of the phrase 'so far as is reasonably practicable' in UK legislation because the Framework Directive (89/391/EEC) does not contain such a qualification. However, in 2007 the European Court of justice upheld the UK government's use of the phrase. See <http://curia.europa.eu/jurisp/cgi-bin/form.pl?lang=EN&Submit=rechercher&numaff=C-127/05>.

47 to 6 by 1 January 2013. One of the new six regulations focuses on organisation and labour management and participation by employees or their representatives, aimed to make sure that the work is organised in such a way that the employees have a secure work environment and are protected against any physical as well as psychological burden. One of the requirements is the duty to perform ‘internal control’, where risk assessment is one of the issues. Along a similar strand, although not specifically addressed to OSH, is the Latvian case: the tripartite NEC Micro and Small Enterprises Committee, which focuses on creating a business environment favourable for SMEs, including the implementation of the Small Business Act.

The Maltese OSHA has been participating in an initiative by the Management Efficiency Unit (MEU) to reduce unnecessary administrative burdens on enterprises and presented a report in 2012 which highlighted a number of potential bureaucratic clauses in OSH legislation regarding fire drills. These clauses were amended, giving workers’ health and safety representatives the opportunity of being consulted on the frequency of drills, and introducing a system of pecuniary penalties where those found in breach of the law are fined.

Table 5 summarises interventions on OSH between 2009 and 2013 that were aimed at micro and small companies explicitly or in an indirect way. These interventions are differentiated into measures aimed to support these companies in fulfilling OSH prescriptions, and those aimed at simplifying the regulatory framework. They are also differentiated according to the set of actors involved. Most countries do not report any simplification measures in the domain of OSH, while 14 report initiatives promoted by public institutions and/or social partners with the aim of helping micro and small companies comply with OSH administrative requirements. Some countries report both public-driven and bi- and tripartite initiatives (Latvia, Ireland) while in Denmark these initiatives rely entirely on social partnership.

Spain is characterised by extensive public initiatives aimed at promoting both implementation and simplification, while in Malta the OSHA played a pivotal role with both social partners: with employers in mainstreaming actions and with employee representatives in simplification actions. The United Kingdom displays simultaneously the most vigorous action towards simplification and the establishment of new tripartite action promoted by the HSE with the aim of supporting legal compliance, marking a shift from previous HSE–employer partnerships towards wider involvement. Finally, Norway is a case of tripartite cooperation in the domain of simplification.

Table 5: *Reported measures for OSH in small and micro enterprises by type of initiative and actors involved, 2009–2013*

Supporting measures	No simplification	Unilaterally driven simplification	Concerted simplification
Public initiatives	FI, FR, IE, IT, LT, NL	ES	LV, MT
Bipartite initiatives	DK LU SE		SI
Tripartite initiatives	DE, DK, GR, IE, LV	UK	
Not reported			NO

Source: *Eurofound NEO correspondents’ contributions 2013*.

Coverage, quality and contents of social dialogue in micro and small companies

Coverage at company and other levels as well as by collective bargaining

According to the national information collected, social dialogue coverage varies significantly between large or medium companies and micro and small companies in most European countries. In fact, there is a general pattern that collective bargaining, company agreements and representation structures increase with the size of the company, so that micro and small companies are less covered by social dialogue instruments than their larger counterparts.

For instance, in Germany, sector-level collective and company-level agreements are more frequent in larger firms, and the presence of works councils increases with the establishment size. Just 10% of workers in companies with between 5 and 50 employees in western Germany are covered by a works council, against a 44% average.²²

It is also important to note that the situation is more favourable in small companies than in micro companies. Thus, in Italy, micro firms rarely have trade union members or collective agreements, while in small firms there is a more significant incidence of both. This uneven balance between micro companies and small companies can also be observed in Spain and Latvia, where employee representative institutions in companies with fewer than 10 employees are clearly less frequent than in those with between 10 and 49 employees. For instance, in Spain 32% of employees in micro companies benefit from a collective bargaining structure, while the percentage increases to 58% in small companies.

In Luxembourg and the Netherlands available data also show that social coverage of employees in smaller enterprises is much lower than in larger ones. In the case of France, which also follows this trend, it should be mentioned that it is more common to find employee representation bodies in establishments belonging to a larger company or more complex structures and groups than in independent establishments, where relationships are more informal.

Finally, it is worth mentioning the case of Denmark where, in spite of also following the general pattern, micro and small companies show relatively high figures of collective agreement coverage: 67% of companies with 5–9 employees, 74% of those with 10–19 employees and 82% of those with 20–49 employees, compared with 91% of those with 51–99 employees (2010 data).

Table 6 summarises available statistical data for a number of European countries with regard to the existence of representative bodies and collective agreements and the presence of trade unions, according to the number of employees.

Table 6: *Coverage of micro and small companies by institutions of social dialogue and by collective bargaining according to national surveys and data*

Country	Information available
Austria	<ul style="list-style-type: none"> 8% of companies <50 employees have a works council (3% in companies with 5–10 employees) (2004)
Belgium	<ul style="list-style-type: none"> 21% of employees in companies with 21–50 employees are represented by a Committee for Prevention and Well-Being at Work (CPBW-CPPT) (2012)
Cyprus	<ul style="list-style-type: none"> More than 90% of all micro and small companies have no representation structure and in the other 10% the only form of representation is linked to OSH legislation. (<i>Date not available</i>)
Czech Republic	<ul style="list-style-type: none"> 753 employers with up to 50 employees where the trade unions operate (14% of all companies of any size) (2012) 563 company-level collective agreements concluded by employers with up to 50 employees (12% of all companies of any size) (2012)
Denmark	<ul style="list-style-type: none"> Micro and small companies with a collective agreement (2010): 5–9 employees: 67%; 10–19 employees: 74%; 20–49 employees: 82%
Estonia	<ul style="list-style-type: none"> % of companies with employees' trustee (2009): 5–9 employees: 2.3%; 10–49 employees: 19% % of companies with work environment representative (2009): 5–9 employees: 31.3%; 10–49 employees: 57.3%; % of companies with collective agreement (2009): 5–9 employees: 2.9%; 10–49 employees: 6.4%
France	<ul style="list-style-type: none"> % of establishments with at least one employee representation body ('employee delegates' or 'shop steward') (2010–2011): 11–19 employees: 37%; 20 and 49 employees: 65%

²² In the case of Germany, a clear divide can also be observed between western and eastern federal states ('Länder'), with western German federal states having higher coverage by social dialogue institutions.

Country	Information available
Germany	<ul style="list-style-type: none"> • % of establishments covered by a sector-level collective agreement (2011): 1–9 employees: 25% (western Germany), 13% (eastern); 10–49 employees: 43% (western), 27% (eastern) • % of establishments covered by a company-level agreement (2011): 1–9 employees: 1% (western), 2% (eastern); 10–49 employees: 3% (western), 6% (eastern) • % of establishments with a works council (2011): 5–50 employees: 6% (western and eastern) • % of employees covered by a works council (2011): 5–50 employees: 10% (western), 11% (eastern)
Italy	<ul style="list-style-type: none"> • Among firms with 20–49 employees in the private sector (2013): 60% have union members among their employees; almost 30% have a trade union representation structure; firm-level collective bargaining is present in 17% of them.
Latvia	<ul style="list-style-type: none"> • Authorised employee representatives in 6.4% of micro enterprises, and in 19.5% of small enterprises (2010) • Trade union representatives in 0.1% of micro enterprises, and in 8.8% of small enterprises (2010). • Employee' trustees in 4% of micro enterprises, and 20.2% of small enterprises (2010).
Luxembourg	<ul style="list-style-type: none"> • The coverage of the employees in small enterprises (10 to 49) is 30% (2010).
Malta	<ul style="list-style-type: none"> • Coverage of institutional representation is 3% in companies with 10 to 19 employees, and 12% in companies with 20 to 49 employees (2009). • 90.5% and 71.5% of micro and small enterprises do not have an appointed worker's OSH representative (2011).
Netherlands	<ul style="list-style-type: none"> • Companies with 10–49 employees (2011): 16% have a works council; 12% have a mini-works council; 53% organise personnel meetings; 9% have no social dialogue at all.
Norway	<ul style="list-style-type: none"> • % of companies where employee representatives are found (2010): 12% of companies with 1–9 employees, 17% of companies with 10–19, 30% of companies with 20–30 employees • % of employees who have trade union representatives (2010): 45% of employees in micro companies, 79% of employees in small companies • % of employees who are members of a trade union (2010): 37% of the employees in micro companies, 56% of the employees in small companies • % of employees in workplaces where there is a safety representative (2010): 54% of the employees in micro companies, 86% of the employees in small companies. • % of employees in workplaces with a working environment committee (2010): 37% of the employees in micro companies, 61% of the employees in small companies
Poland	<ul style="list-style-type: none"> • Trade union membership declared by 7% of employees in micro and small companies (2012) • Trade unions operating in 10% of micro and small companies (2012)
Portugal	<ul style="list-style-type: none"> • Less than 1.0% of the micro and small companies have a shop steward (2012)
Romania	<ul style="list-style-type: none"> • In 94.6% of all active companies from 0 to 19 employees (covering 31.5% of total employment) there is hardly any coverage by institutionalised forms of social dialogue (2010)
Slovakia	<ul style="list-style-type: none"> • Trade unions present in 0.8% of micro and 25.2% of small companies (2012) • Employee trustees elected in 4.0% of micro and 43.5% of small companies (2012).
Slovenia	<ul style="list-style-type: none"> • Less than 10% of micro and small companies have a company collective agreement (<i>Date not available</i>)
Spain	<ul style="list-style-type: none"> • % of employees who have in their company a collective bargaining structure (2010): 2–9 employees: 32%; 10–49 employees: 58% • % of employees who have a prevention delegate (2011): 1–10 employees: 40%; 11–49 employees: 56%
Sweden	<ul style="list-style-type: none"> • 60% of companies with 1–49 employees, do not have collective agreements (2010)
United Kingdom	<ul style="list-style-type: none"> • 10% of small and medium-sized firms have a joint consultative committee (2004). • 10% of firms with fewer than 50 employees have some form of union representation or joint consultative arrangement (2004).

Source: Own elaboration on the basis of the Eurofound NEO correspondents' contributions 2013. Reference years of national data in brackets. For more details and sources see the table in the annex.

Quality and contents

With regard to the quality of social dialogue in micro and small companies, and according to the information available, it is difficult to determine general trends in the European countries, as both positive and negative assessments were made in the national contributions. There are several countries where social dialogue among micro and small companies was positively valued. For instance, in Slovenia, the Trade Union of Craft Workers of Slovenia (SOPS) evaluates social dialogue in small companies as very successful and collective agreements as advanced. In Bulgaria, the general meeting

of the staff called to discuss the distribution of social funds also gives workers in small firms good opportunities for information and consultation. While legislation gives limited powers to this body, it is also possible to discuss labour and employment relations at the meetings, enabling workers in micro and small companies to be informed and to express their views.

In the Netherlands, some information is available on the opinion of employers about the quality of the works council by firm size. The opinion in micro firms is more positive than the average (6.6 points on a scale from 1 – very negative to 10 – very positive), as follows: 2–4 employees: 8 points; 5–9 employees: 10 points (TNO and Ministry of Social Affairs and Employment, 2010). In Belgium, a study²³ found that employees of smaller companies (< 50 employees) are more positive about their opportunities for involvement than the employees of larger companies. These results suggest that many smaller companies can compensate for the lack of formal regulation by direct dialogue between employer and employees. However, another survey found no difference between the influence of employees in company decisions at strategic level in companies without formal representation (Humblet and Rigaux, 2005).

The national contribution from Finland cites a survey carried out by the Confederation of Finnish Industries in 2009 where employees reported the perception that the smaller the company, the more open and constructive the relations between employer and employee. At the same time, employees at small companies feel that their own chances of influencing the development of operations at the workplace are good. Additionally, based on the view of the Central Organisation of Finnish Trade Unions (SAK) most micro and small companies follow the Collective Bargaining Acts; however, a few of the smallest companies openly oppose all Collective Bargaining Acts. In this regard, the trade union side has long claimed that micro and small companies contain simultaneously the best and the worst examples of social dialogue.

Therefore, it is difficult to generalise about the quality of social dialogue in micro and small companies in comparison with larger companies. For example, in Germany, even if data show that SMEs are less often covered by formal collective bargaining, it cannot be concluded that the social dialogue is of a lesser quality for them. Similarly, in Spain, available information does not indicate that there are marked differences in the quality of social dialogue according to company size. By contrast, in the UK, the WERS (WERS, 2004) data suggest that collective bargaining and formal dialogue is not widespread in micro and small companies; nonetheless, such organisations show high employee satisfaction with the level of information provided.

On the other hand, an Italian study shows that just 5% of all firms say that they have constant dialogue with trade unions (see the textbox on the craft sector of Lombardy in Chapter 3 below).

In a number of cases it has been found that relationships between employers and employees in micro and small companies are more direct and informal. For instance, in France, in independent establishments with fewer than 20 employees, relationships between employees and the management are often informal (DARES, 2013). In Hungary, a study by Eurofound (Eurofound, 2007) concluded that, in the majority of the SMEs surveyed, the involvement of employees is much less institutionalised than in large companies; rather it is family-like and direct. In Romania, workers in micro enterprises and small companies are involved in social dialogue mainly in an informal way, whereas in Malta social dialogue tends to be more formal in unionised undertakings.

²³ Study on the labour market. Randstad Belgium 2012. Available at:
http://www.randstad.be/content/e4b21cb2-7219-419a-b76d-6fecb8527b87/inspraak_en_medebestuur_2012.pdf.

On the other hand, there are countries where a negative view of the quality of social dialogue in micro and small companies prevails. For instance, in the Czech Republic, trade unions in SMEs face much worse conditions than those in medium and large companies. According to the Czech-Moravian Confederation of Trade Unions (ČMKOS) there is evidence that in some SMEs employers discourage their employees from establishing a trade union organisation. In Poland, social dialogue in micro and small companies is conducted only on a very limited scale because of the extremely low union density and reduced level of companies' membership in employers' organisations. Additionally, in Norway, the information available shows that the trade union density is low and some employers do not comply with the legal regulations. Recent case studies (Fafu, 2013) indicate that a number of companies operate 'outside' the national model of social dialogue.

Finally, in Latvia, a survey on working conditions and risks 2009–2010 indicates that the quality of social dialogue of workers in smaller enterprises is lower than in larger enterprises; furthermore, workers in smaller enterprises often agree to work without an employment contract (LDDK, 2010). In Portugal, it seems that social dialogue in micro and small companies is almost non-existent.

In terms of the content of social dialogue, information collected shows that in most cases, when social dialogue exists in micro and small companies, the content is not very different from larger companies. In France, working conditions and health and safety are the second issue of discussion between management and employees, behind wages and professional training, whereas in the Netherlands, OSH is one of the most important issues in the social dialogue between employers and employees and their representatives. In Sweden, according to the Swedish Trade Union Confederation (LO) topics discussed are similar in large and small companies, although it seems that incorrect salaries or erroneous employment contracts are more common problems for workers in small companies.

In Latvia, the survey on working conditions and risks shows that 71.1% of employers in 2010 mentioned labour protection issues as the most popular topics of social dialogue in enterprises. Considerably less important (mentioned by 26.7% of respondents) are work environment conditions: the quality of working premises, work space and smoking places. Also, 7.7% mentioned legal relations of employment (labour contract, salaries) as social dialogue topics. The survey repeatedly reveals that workers in micro and small enterprises put forward their proposals less often.

Finally, in Slovenia, a Collective Agreement between Workers and Small Companies (KPdg) was signed in October 2010 by the Trade Union of Craft Workers of Slovenia (SOPS) and the employer association GZS-PTZ. This collective agreement is in accordance with the recent legislation and includes flexible working arrangements (project work and fixed-term contracts) and traineeship as knowledge transfer between the younger and older generations. Unlike the other collective agreements, it presents severance pay for fixed-term contracts (project work) and alternative dispute resolution. KPgd also determines in detail the health and safety obligations of employers and employees.

OSH practice and standards and workers' participation in OSH issues

As highlighted in previous sections, the available information on these questions varies widely from country to country. In any case, data collected suggest that in general smaller companies have less knowledge and fewer resources to deal with OSH issues. With regard to employees' knowledge, in Sweden, according to a survey by LO (LO Sweden, 2007), regional safety representatives believe that micro and small companies have a good knowledge of physical elements in the working environment (such as noise, chemicals and ergonomics). However, they believe that knowledge about psychosocial issues is lacking among micro and small companies. In the Czech Republic, the Czech-Moravian Confederation of Trade Unions (ČMKOS) states that the employees' level of knowledge of OSH issues is definitely lower in micro and small companies than in medium and large companies.

In Norway, the Fafo study (Fafo, 2009) found that both employees and managers supported the current regime of agreements and legislation. However, their knowledge of the different parts of this regime was patchy. According to Norwegian legislation, safety representatives are subject to mandatory training and the employer must have the necessary knowledge to make sure that OSH issues are taken care of. In Bulgaria, the HSWL (Art.30) also states that the representatives in the WCC (Working Conditions Committees) and WCG (Working Conditions Groups) must receive specific training.

The information available shows that micro companies tend to offer less training on OSH and carry out fewer workplace assessments than larger companies. For instance, in Spain there are significant differences between micro and small companies in terms of OSH practice. More than half (52%) of employees in workplaces with fewer than 11 employees do not receive either training or information on OSH, compared to 35% of employees in small workplaces. Moreover, employees in very small workplaces (10 or less employees) are less likely to have employers that evaluate the risks linked to their jobs (only 26% of employees compared to 40% in small companies). In Lithuania, the findings of the State Labour Inspectorate (VDI) demonstrate that SMEs account for almost 90% of total infringements connection with the assessment of occupational risks.

Following this pattern, in Denmark, a study carried out by the National Research Centre for the Working Environment (NFA, 2011), concludes that more than 90% of workplaces with over 10 employees indicate that they have prepared a written APV (workplace assessment) within the last three years, while only 74% of workplaces with fewer than 10 employees indicate this. Among workplaces with fewer than 10 employees, less than half (44%) indicated that they were aware of health and safety problems within the last three years, while the proportion was two thirds (66%) for workplaces with more than 10 employees.

In this connection, it is interesting to note an Italian study (Cgil Lombardia, 2012), which analysed the crafts sector in the region of Lombardy (sample of 90 crafts firms). A high proportion of firms (86%) said they had made investments on health and safety at work in the previous three years. Three quarters of the surveyed firms also declared they had organised training courses for their employees in the previous three years; in most cases training included courses on health and safety (73%), production processes (42%) and individual competences (30%).

On the other hand, concerning OSH representativeness, it must be said that, in many micro and small companies, the manager of the company is also responsible for occupational health and safety management. In Malta, only 7.9% of micro and 26.2% of small enterprises report having a workers' OSH representative. Only 37.3% and 51.2% of micro and small enterprise employees, respectively, say they have knowledge of the role of such a representative. Unsurprisingly, 64.5% of micro and 68.9% of small enterprise employees report that the manager/owner or director of the company is the go-to person when they have a complaint (OHSA, 2011). Moreover, in most micro and small companies in Estonia the manager of the company is also responsible for occupational health and safety management. Estonian WLS 2009 data show that this is the case for 83% of employers of micro enterprises and 84% of small enterprises. In Slovakia, according to a study on occupational health and safety and working conditions in SMEs, conducted by the Institute for Labour and Family Research (IVPR) in 2011, the handling of OSH in practice depends on the size of company. In micro enterprises, the majority of employers have insufficient knowledge of OSH requirements. Furthermore, in enterprises of up to 15 employees, OSH is again generally dealt with by employers.

Finally, given that micro and small companies seem to have more difficulty in dealing with OSH matters, in many countries public authorities are implementing actions aimed specifically at them (e.g. publication of guides, access to specialised information, etc.). Thus, in Cyprus, the Department of Labour Inspection (DLI) has created a practical guide aimed at supporting all the parties concerned in enterprises employing between 1 and 50 people so that they understand their obligations and can find practical ways of complying with the legislation. In the UK, since 2008, there have been

changes in how legislation is implemented; these include the increased use of guidance that is directed towards small and micro enterprises. Further examples from other countries have been highlighted in the previous sections of this report.

Summary

Social dialogue in small and especially micro companies is still quite narrow in scope due to both the organisational features (favouring direct interaction between the employer and the employees who often share both work and some aspects of their private life) and the regulatory framework, which often restricts access to trade unions and restricts the establishment of employee representatives.

In terms of formal regulatory frameworks, however, the analysis of national contributions to this study shows that the legislative regulations in just 6 countries out of 28 do not provide for any social dialogue structures in micro companies. The analysis of regulatory change since 2008 also indicated that Member States moved in different directions. While Greece and Cyprus removed or lowered the threshold for employee representation, especially on OSH issues, and Slovenia made it compulsory regardless of company size and trade union presence, Romania and Hungary restricted the scope for employee representation at small and especially micro businesses. Germany and Estonia display changes at the margin, by including non-permanent employees regardless of the company size for eligibility to the works council and thus information and consultation. In some countries, such as Norway and Italy, social partners widened the scope for territorial-level OSH workers' representatives as a way to improve both employees' protection and enterprises' quality standards without subjecting firms to further administrative burden, while in France the government hampered social partners' efforts to promote territorial-level social dialogue.

To achieve both administrative burden reduction and compliance with OSH regulation, many countries developed toolkits and guidelines providing useful resources to micro and small businesses. Regulatory simplification was carried out both in a unilateral way, including exemption from inspections in low and medium risk workplaces, as in the United Kingdom, and in a concerted tripartite way as in Norway.

Good practice experience: evidence and lessons learnt from the case studies 3

Introduction

Objectives and methodology

Apart from providing an overview of research and mapping current regulation governing social dialogue in micro and small enterprises, this study also aimed to identify and describe cases where social dialogue has worked well and to analyse the drivers of this success. Thus one element of the study was to carry out a limited amount of fieldwork in five EU Member States. This resulted in the identification and elaboration of 10 case studies illustrating good practice and the added value of social dialogue at company level.

The main purpose of the case studies was to describe practical examples and experience and to analyse the specific drivers of success, for example the implementation/adjustment of social dialogue frameworks to the specific needs of micro and small companies.

In terms of analytical tools and methods the case study analysis relied mainly on face-to-face interviews with owners/managers as well as employee representatives, delegates or spokespersons. Interviews were carried out on the basis of structured interview guidelines/questionnaires and were supplemented – where possible – by written material and information provided by the companies.

Interviews with company actors focused on the following main topics:

- general information about the company (thus complementing information that had already been made available before the interview);
- perception, main interests and motives of the actors with regard to social dialogue;
- elements, forms, structures and resources of social dialogue in practice;
- assessments regarding sustainability, key drivers and factors of success.

To round out the overall picture of a specific case and to develop a view on the practical experience within a broader national as well as sector-specific context, national-level social partners were also interviewed after the case study analysis. These interviews were also carried out face-to-face and based on interview guidelines.

The main purpose of these interviews was to gain information on the national context and supplement the fieldwork with additional information on major trends, challenges and needs for action in relation to micro and small companies from the perspective of the social partners. Interviews also addressed the awareness as well as the perception of European social dialogue and joint initiatives of European social partners regarding micro and small companies as well as EU-level policy initiatives and discussions (for example on smart regulation).

It should be noted that the national context analysis mainly addressed cross-sector issues of social dialogue in micro and small companies in the relevant countries. However, the research team also learned that sector-specific factors such as collective bargaining practice and structures, national initiatives of social partners (both unilateral and joint practices) as well as sector-level bipartite institutions are also very important factors of influence. Therefore, national fieldwork also included an exchange and additional interviews with sector-level organisations and social partners.

Case study sample

With regard to the selection of countries and cases the research team, in close cooperation with Eurofound, discussed and agreed on a number of selection criteria both for the overall sample and for the case study companies.

- The country sample consisted of Bulgaria, Denmark, Germany, Italy and Spain and therefore represents a balanced mix of geographic regions within the EU, different frameworks of industrial relations and social dialogue ‘models’ as well as differences with regard to the presence and share of micro and small companies within the economy and for employment in general.
- One of the main selection criteria for the company sample was good practice in social dialogue, meaning a mode of practice that ‘stands out from the crowd’. In determining this characteristic, the research team relied heavily on an exchange with national-level social partners and/or professional organisations (for example, institutions involved in the field of health and safety, and bipartite institutions) and most cases were selected according to suggestions that came from employers as well as trade union organisations.
- While there was to be an equal share of micro and small companies in the sample of cases, a further criterion was that the sample should illustrate different ‘major’ themes in regard to industrial relations and social dialogue; for example, good practice on employee involvement in health and safety, organisation of social dialogue, bargaining and negotiation practice, and employee participation.
- Though the sample of cases cannot be regarded as in any way representative, it reflects a variety of sectors that have a high share of micro and small companies.
- Finally, the sample should consist of ‘unpublished cases’; in other words, companies that have not been analysed and described in other case studies.

On this basis and in close consultation with national-level social partner organisations at cross-sector as well as sector level, professional and bipartite bodies and other institutions, the research team in agreement with Eurofound selected a final sample of company-based cases that were analysed from May 2013 onwards. Table 7 provides an overview.

Table 7: *Micro and small company cases of good practice*

Country	Company	Size	Sector	Concerted simplification
Bulgaria	Belinvest	Micro	Brewery/restaurant	Trade union suggestion
Bulgaria	Air Liquide Pernik	Small	Chemicals	Trade union suggestion
Denmark	Wodschow	Small	Machinery production	Joint SP suggestion
Denmark	Various	Micro	Construction / metalworking	Joint SP suggestion
Germany	Büschkes	Micro	Roofing trade	Employer suggestion
Germany	Redder, Wietfeld	Small	Bakery	Employer suggestion
Italy	Cadamuro	Micro	Electrical installation	Employer suggestion
Italy	Baldan 88	Small	Shoe production	Joint SP suggestion
Spain	Acusmed	Micro	Environmental services	Own, confirmed by SPs
Spain	TTT Goiko	Small	Metalworking	Own, confirmed by SPs

It should be noted that the sample had to be adjusted several times and that the identification of companies was more difficult than expected. The main difficulty was that national social partner organisations were not able to identify possible cases immediately but had to consult local/regional and/or sector divisions and organisations. This process took time and did not always produce any suggestions. Particularly when it came to micro companies the identification of potential cases was extremely difficult, thus illustrating the weak coverage of this size group not only by representative organisations but also their representation in various databases and other documentation of good practices (for example in the field of health and safety).

Elements of social dialogue in practice

As explained in the introduction as well as in the literature review of this report, social dialogue is understood for the purpose of this study as all types of formal dialogue, discussions, consultations, negotiations and joint actions undertaken by employer representatives and worker representatives on working conditions in the workplace.

By stressing two-way communication and providing relevant partners with the opportunity to ‘voice’ opinions and take some control, social dialogue contrasts with forms of purely one-way or unilateral communication and dialogue, for example the provision of information and instructions by management to employees with no opportunity for employees to share their opinions or ideas.

Depending on aspects such as scope, formalisation and institutionalisation, social dialogue may take different forms:

- *bilateral communication;*
- *information and consultation;*
- *negotiation.*

The precise boundaries between these three forms of social dialogue are fluid.

The three forms of social dialogue are characterised by an ascending extent of employee influence: information and consultation practice at company level presupposes bilateral communication but also certain forms and institutional structures that facilitate information and consultation processes. Furthermore, for employees to be able to consult with the employer on certain issues, the topics of consultation have to be defined. Also, to carry out consultation processes there is a need for employees to be able to collaborate to discuss their own positions and interests, and this requires space, time and structures.

Social dialogue as negotiation goes a step further than this. It not only presupposes bilateral communication and regular information and consultation on jointly defined topics, but also that a structure and agenda is in place regarding topics/contents, processes and implementation as well as agreements for conflict resolution and monitoring. While negotiation may also happen in an ad-hoc and situational way, it is normally carried out according to a regular routine (e.g. annual pay negotiations).

In general the case study analysis confirmed this general classification of social dialogue; in other words, there were examples of and experiences from all three major forms in various permutations.

Table 8 illustrates certain characteristics of the three basic types of social dialogue at company level and refers to the 10 company cases addressed by the fieldwork for this report.

In a significant number of the cases studied, social dialogue takes the form of bilateral communication; in other words an ad-hoc and situation-driven practice of social dialogue with informal structures and institutions at company level. However, half of the companies in the sample showed more institutionalised and structured forms of social dialogue. In terms of the negotiation type of social dialogue, the sample included only one example, which is closely linked to the Danish system of cooperation and company-based bargaining processes.

Table 8: *Social dialogue at company level: Main types and their characteristics*

Type	Institutions and structures	Topics addressed	Resources	Cases that exemplify this type
Bilateral discussion	If structures exist at all, they are established on the basis of ad-hoc decisions and depend on concrete needs.	No catalogue of topics, but OSH and work organisation are prominent.	Ad-hoc and situation-driven provision of resources such as time off for training; bilateral discussions often outside normal working hours.	Büschkes (DE, micro company) Cadamuro (IT, micro company) Acusmed (ES, micro company) Bakery (DE, small company)
Information and consultation	Either according to legal regulation (interest representation bodies) or company-specific institutions.	Either reflecting the catalogue of information and consultation and OSH as defined by law or agreed between parties at company level.	In case of structures according to legal regulation, the respective resources (time off, infrastructure) are provided. Otherwise company specific agreements.	Baldan 88 (IT, small company) TTT Goiko (ES, small company) Various (DK, micro company) Air Liquide Pernik (BG, small company) Belinvest (BG, micro company)
Negotiation	Formal structures of information and consultation as well as regular negotiation on pay and other issues.	Based on regular and formalised information and consultation practice negotiations in particular on pay and other aspects of working conditions and work organisations.	In addition to information and consultation resources, negotiation requires certain competences and expertise, such as time off for training and consultation amongst employees and external support.	Wodschow (DK, small company)

The main characteristics of the three broad types of social dialogue are described below, on the basis of the findings from the case study analysis.

Social dialogue as bilateral discussion at company level

The fact that three out of the five micro companies in the sample fall within this category of social dialogue, characterised by bilateral discussion and exchange, may indicate that rather ad-hoc and situation-driven solutions of social dialogue seem to be the dominant form of companies with fewer than 10 employees.

The micro company cases of Büschkes, Acusmed and Cadamuro, as well as the two small bakery companies, are characterised by a mode of dialogue, discussion and even consultation that is not one-directional but carried out in a bipartite way. The main characteristics of all these cases are described below.

Social dialogue and the practice of bipartite discussion and exchange was initiated and driven by the owner/management. In the cases of Büschkes, Cadamuro and the Redder bakery, a new culture of dialogue was initiated after a generation change in the ownership of the company, with a younger generation taking over the family business (Acusmed started

with this type of dialogue-orientation right from the beginning). A similar development happened in the case of Wietfeld when the company was taken over by a new owner.

The orientation towards a stronger participation-orientated form of industrial relations between owner/management and employees has been established in line with a reorientation or change of business models, sometimes in the light of challenges arising from market trends or changes in competition factors.

Bilateral dialogue, employee involvement in discussion processes linked to corporate development, and even involvement in company decisions is also linked to the dedicated attempt of the owner/manager to serve as a 'best in class' case, in terms of working conditions, quality of products/services and innovation and openness to change.

However, while this type of social dialogue as bilateral discussion is clearly different from corporate cultures that are characterised by one-way communication practice and control, it also differs from companies where more formalised and structured practice of social dialogue and information and consultation are in place. Bipartite discussion should not be confused with more structured and formalised information and consultation, because the catalogue of topics as well as the decision to address a specific topic is to a large extent the prerogative of the employer. The employer/owner also has the last word when it comes to the provision of resources such as time off for employees to meet, training and competence development and so on. And here, as for example the case of Büschkes and Cadamuro or Wietfeld and Redder illustrate, the line between one-way and two-way communication is not always clear when, in most cases, it is the owner/employer who defines the agenda of social dialogue at company level.

Rather than addressing a predefined list of topics and issues (predefined in most cases by the legal regulation of information and consultation), irrespective of the specific interest of the employer/owner, bipartite dialogue and discussion is driven by situation-related needs, joint interests and initiatives that may come from either side. Participation and dialogue-orientated corporate cultures, at least in the four cases, result from the need to have a motivated 'team' and workforce, often in a situation of fierce competition on the local market or in times of change and reorganisation.

In terms of legally specified structures of social dialogue at company level, the absence of such structures in the Spanish and Italian cases of micro and small companies comes as no surprise as both types of company are well below the national size thresholds for information and consultation or OSH bodies. The German cases in the sample do not have works councils, although the national threshold (five employees) allows for that. Particularly from the perspective of the employer/owner, but also according to the assessment of employee representatives, this is explained by the comparatively good working conditions and dialogue culture within the company. This means that a works council is not needed. Thus, and interestingly, the existence of works councils by key actors at the company level is associated with conflict situations or polarisation between employer and employees, problematic working conditions and other negative factors.

Social dialogue as information and consultation

More formalised structures of social dialogue exist in the Italian small company case of Baldan 88, the Spanish small company TTT Goiko, the Danish micro companies and Bulgarian Belinvest (micro) and Air Liquide Pernik (small).

In contrast to the bilateral discussion-type of social dialogue these cases are characterised by a certain formalisation and institutionalisation of social dialogue, i.e. structured process of information and consultation on jointly defined and agreed matters (at least in accordance with the legal information and consultation regulation). In contrast to the rather ad-hoc and situation-driven social dialogue this type is characterised by clearly defined scope and contents, as well as responsibilities and roles on behalf of the employees' interests.

This is illustrated by the existence of workers' representation and/or cooperation bodies for general interest representation as well as OSH that meet on a regular basis. This also requires processes and facilitation of opinion building within the workforce (e.g. employee meetings, delegating/electing a spokesman/representative).

These requirements in most cases are defined not by company actors but by law; in other words information and consultation is normally carried out on the basis of legally defined structures as they exist in the case of Baldan 88 and Air Liquide Pernik. The TTT Goiko case is exceptional as it applies an innovative model of social dialogue (the 'New Style of Relations' or NER model) which is strongly influenced by ideas such as responsibility, solidarity, teamwork and an orientation towards joint decision-making.

Another feature of this type of social dialogue and effective information and consultation practice concerns resources. On the workers' side in particular there is a need for basic competences and skills (for example, in order to assess the information provided by the employer and to carry out effective consultation). Employee representatives not only have to be trained but also require legal advice and other kinds of support which is often provided by external sources, in particular trade unions and professional OSH institutions as the cases of Baldan 88, Belinvest and Air Liquide Pernik illustrate. Thus, it is not surprising that trade union membership is comparatively high in both companies.

In the micro company case in Denmark, membership in the trade union organisation is the crucial element in social dialogue at the company level as there are no formalised structures in micro companies with fewer than 10 employees for either information and consultation or OSH issues. Thus the trade union representative at the company level is the single and most important institution for both types of dialogue.

Social dialogue as negotiation and co-determination

Denmark is the only national case in the sample where the national industrial relations system (in other words, the national collective agreement) provides for company-based negotiation rounds on an annual basis. The Danish model of cooperation includes certain elements of co-determination ('cooperation') on issues concerning the joint interests of employers and workers in companies with more than 35 employees.

This type of social dialogue is based on a stable practice of information and consultation according to the legal or collectively agreed framework. It is also solidly rooted in a national industrial relations model that provides for company-level bargaining rounds and a good coverage of companies of all sizes by social partner organisations and the relevant collective agreement. Both employer organisations and trade unions are actively involved in the negotiation process at the local level, providing guidance and support. In cases of problems and conflicts at company level there are clearly defined modes of resolution carried out by joint bodies.

Topics addressed and outcomes

In terms of topics addressed by social dialogue and outcomes achieved by bilateral communication and discussion, information and consultation and negotiation and cooperation, there are striking differences as well as similarities in the sample of cases.

In all companies, irrespective of their size and form of social dialogue, working conditions, including OSH issues, and questions regarding the organisation of work are perhaps the most prominent topics addressed by social dialogue at company level.

It is important to note that the sample illustrates good practice in terms of social dialogue outcomes; in other words these practices have been assessed by both employers and employees not only as positive but also often as 'best in class'. As

most of the cases also display work organisations and business models that are characterised by an orientation towards high quality, teamwork with highly motivated members and having a sense of responsibility for the whole team, this implies that issues related to work organisation rank high amongst the topics addressed by social dialogue, irrespective of the specific form it takes.

In terms of OSH and issues such as working time, overtime, work–life balance and further training, all cases in the sample are characterised by high or very high standards.

Despite this, when it comes to topics addressed, there are significant differences between the different forms of social dialogue. Whereas topics addressed in companies with bilateral discussion processes are – perhaps apart from OSH – very much driven by needs, concrete tasks and business strategies/orientations and thus situation-related and ad-hoc, there is at least a certain portfolio/catalogue of topics in the information and consultation type of social dialogue, e.g. training issues, work organisation, working time issues. For example, in the two bakery cases, individualised part-time work, in particular of women in the bakery shops, is an important issue. At Wietfeld there is continuous communication and adjustments of weekly hours, often in response to family needs.

The examples of Wodschow in Denmark and TTT Goiko in Spain represent quite an extensive catalogue of topics addressed by social dialogue at company level, which also includes issues that are normally seen as the exclusive prerogative of the employers; for example investment or off-shoring decisions (as in the case of Wodschow). Whereas in the case of TTT Goiko this results from the innovative NER approach and does not represent the ‘normal’ Spanish practice, the Danish case can be regarded as representative in the case of companies with more than 35 employees that are embedded solidly both in employer and trade union organisations.

Structures and resources

As highlighted above, when it comes to structures and resources, the company cases in the sample vary significantly in respect to the existence of formalised and stable structures, institutions and available resources at the company level, as Table 9 shows.

Table 9: *Structures and resources of social dialogue at company level*

Company	Type of social dialogue	Structures at company level	Resources at company level
Büschkes	Bilateral discussion	Informal, ad-hoc and situation-driven	Provision of resources depending on joint interests / what is good for the company as a whole
Acusmed	Bilateral discussion	Informal, ad-hoc and situation-driven	Provision of resources depending on joint interests / what is good for the company as a whole
Cadamuro	Bilateral discussion	Informal, ad-hoc and situation-driven	Depending on joint interests / what is good for the company as a whole
Bakeries, Germany	Bilateral discussion	Workers' spokesperson / OSH representative	Provision of resources depending on joint interests / what is good for the company as a whole
Baldan88	Information and consultation	Workers' representation / OSH body	According to legal regulation
Belinvest	Information and consultation	Trade union representative	According to legal regulation
Air Liquide Pernik	Information and consultation	Trade union representative	According to legal regulation
Micro companies Denmark	Information and consultation	Workers' representative	According to legal regulation
TTT Goiko	Information and consultation	Various structures (assembly, joint committees, ad-hoc groups)	Provision depending on workers interests
Wodschow	Negotiation	Workers' representative Cooperation committee	According to legal regulation plus additional resources if agreed in the cooperation committee

When it comes to structures and resources, it is not only the company level that is relevant. In fact, one important finding from the analysis carried out for this report is that the involvement of the companies in employers’ and sector-level organisations at various geographical levels, the active support received from institutions in the field of OSH as well as the organisation of employees in trade unions must be regarded as crucial factors, particularly when it comes to available resources and support for company-based structures and practice.

Internal factors of influence

With regard to internal factors of influence, it should be remembered that the sample consists of good practice examples. This means that industrial relations as well as outcomes of social dialogue are regarded by the employer as well as the employees as positive and beneficial in terms of economic performance, industrial relations/social dialogue, innovation, working conditions and OSH practice, as well as innovation and openness regarding continuous improvement and changes in the market as well as in society.

The case study analysis identified a number of common features and patterns that should be regarded as important internal factors of influence for good practice of social dialogue at company level.

Table 10 presents an overview of key internal factors arising from the case study analysis. These are described and analysed below on the basis of case study evidence.

Table 10: *Overview of key internal factors of influence of good practice in social dialogue in micro and small companies*

General internal factors supporting social dialogue at company level	Internal factors that characterise more structured and institutionalised practice of social dialogue
<ul style="list-style-type: none"> • Participatory approach of leadership and management applied by the owner/manager based on mutual respect and trust • Orientation towards a business model and competition strategy that is based on quality of products/services and not on competition on the basis of prices and costs (only) • Certain degree of employment stability and low staff fluctuation • Work organisation based on team-functioning and high degree of autonomy and responsibility of individual workers • Occupational safety and health as well as pay and working conditions at the upper level of sector/occupational standards • Employer/owner actively involved in local, regional and sector/professional networking 	<ul style="list-style-type: none"> • Size, i.e. small companies are likely to be covered by the regulatory requirements of information and consultation and OSH that provide for company-level structures and institutions • Not only the employer but also employees are involved in local, regional and sector-level organisation and networking, in particular trade union organisations • Openness of the employer towards the establishment of structures of interest representation and cooperation at company level

Leadership and management culture

A participatory and team-based leadership culture that is strongly driven by the owner/manager of the company is perhaps the most important internal factor of influence in all companies in the sample, regardless of variations in the actual form or type of social dialogue, the size of the company or the sector-specific and national context. In most of the cases (all micro companies and most of the small companies) the owner of the company has been the major and often only internal driving force for this type of leadership culture.

At Büschkes, Wietfeld and Redder in Germany and Cadamuro in Italy – all locally rooted craft companies that have been in business for a long time and over several generations –the evolution of a more participatory and dialogue-orientated leadership took place in the context of a change of ownership and generational change. This includes a change in leadership, work organisation and the management of the company.

A participatory and dialogue-orientated leadership style may also be linked very closely to a specific business model, as in the two Spanish cases of Acusmed and TTT Goiko. At Acusmed the establishment of the consultancy and research business was based on a specific business case that is very closely linked to a commitment to social responsibility, good working conditions and OSH practice, the notion of active workers' involvement and work satisfaction.

The orientation towards a leadership and management style based on participation, involvement and dialogue also characterises the TTT Goiko case, but here it has been established as a formal model, the 'New Style of Relations' or NER model of business management based on people. The NER model is rooted in the cooperative business tradition of the Basque country and the Mondragón model, although there are also important differences (see textbox below).

The NER management model and the Mondragón cooperative movement in Spain

It is important to note that this model is not the same as the cooperative model, which is relatively widespread among companies in the Basque region. In the typical Basque cooperative model, workers are associated members of the company; that is, the property is divided between those working in the company (not all but most of them, because there may be workers who are not associated cooperative members). This model is specially extended in the Mondragón-Arrasate area (Basque region), and the most significant example is the Mondragón Cooperative Corporation (MCC), which includes over 100 companies from all economic sectors (industry, services, finance, etc.) and over 80,000 employees (85% of whom are cooperative associated members). Interestingly, the main professionals promoting the NER group come from the cooperative world.

However, the NER style is aimed mainly at companies outside the cooperative sector, and the owners of most of them keep the whole ownership of the business. Even if workers are not owner members, their level of knowledge and participation in the management of the company is much larger than in traditional business models. In fact, the most important factor that makes the NER model work is that the owner 'lets workers do'; in other words, the owner must adapt to a new model based on teamwork and communication.

Key values of the NER model established at TTT Goiko as well as in other non-cooperative companies in the Basque country are a solid commitment to such core values as trust, communication, and transparency, self-management by teams, responsibility, solidarity and joint decision taking.

What makes the TTT Goiko case particularly interesting is the specific background of the adoption of the innovative NER style of leadership and management. A second generation family-owned business with 39 employees, the company carries out local induction heat treatments on metal products and parts. The products treated by TTT Goiko are principally related to the machine-tool and automotive sector and include automotive parts, transmissions, machine tool beds, sliding guides, large moulds, rollers, bolts and caps, cams and blades, screws (tip or head hardened), and closures of moulds for extrusion of fibre or plastic. TTT Goiko is therefore a subcontractor and supplier company that treats the products of the company's clients. Thus, in contrast with the second Spanish case, TTT Goiko is not an innovative start-up company run by employees with similar qualification profiles but a rather traditional small manufacturing company.

Interestingly, the NER business model was not adopted in the context of a change of ownership or generational change but as a response to a situation of crisis. In the difficult economic situation of 2008, the industrial relations at TTT Goiko were very tense, characterised by mistrust and a lack of communication and mutual understanding. This even resulted in strike action in June 2008. The owners of TTT Goiko decided to implement a drastic change in the organisational model of the company and hired a consultancy specialising in the implementation of the NER industrial relations model. The solution was agreed after a vote amongst employees, of whom 90% voted in favour.

TTT Goiko has a form of social dialogue that certainly goes beyond bilateral communication and discussion and is based on solid and extensive information and consultation practices. Characteristics include:

- extensive access of employees to information on the situation and development of the company (market information, prices, participation, costs and so on);
- consultation and participation of workers in the definition of annual business objectives (translated into monthly, weekly and daily objectives);
- financial participation of workers in the economic performance by means of variable pay components based on company results;
- working conditions based on a joint internal consultation and agreements by all company members (including issues such as pay, work schedules, health and safety).

Thus, the TTT Goiko case may also be situated at the fringe between social dialogue characterised by information and consultation and a type of social dialogue that is also shaped by formal negotiation processes at company level and thus is similar to the Danish case of Wodschow. There are also a number of similarities between the two cases in terms of sector (metalworking/machinery), size (between 30 and 40 employees) and qualification profiles of employees (skilled workers). Both companies are also characterised by quite a strong dependency – TTT Goiko as a supplier, Wodschow as a part of a larger multinational group.

However, in contrast to TTT Goiko, the Wodschow case is the only example in the sample that displays clear evidence of (regular and institutionalised) negotiation practice at company level that is linked to a solid organisation of employee interests by trade union structures.

There are also remarkable similarities in terms of leadership and industrial relations. At Wodschow, social relationships are based on solid mutual trust and respect. Both parties are committed to cooperation and social dialogue to govern workplace relations, as well as the value of negotiated solutions on a wide range of decisions (machinery investments, even decisions to offshore parts of the production to central and eastern Europe). Thus there is a good joint understanding of the company's situation and a desire to work together for the success of the company, maintaining its competitiveness and survival in a highly competitive environment.

Wodschow is also a case of good practice that illustrates the functioning and positive outcomes both for employers and employees of the Danish cooperation committees (see textbox below). Despite significant differences, there are quite striking similarities between the Spanish NER model and the cooperative approach in the workplace in Denmark, in particular when it comes to leadership and management styles.

Cooperation committees and workplace social dialogue in Denmark

An analysis of the practice of cooperation committees in Denmark (Felbo-Kolding and Mailand, 2012) commissioned by the TekSam Secretariat, a joint organisation of the social partners in the industry sector (DI) and CO-industri, looked at factors that characterise workplaces both workers and management believe that cooperation is good. The following characteristics of good cooperation were highlighted in the study report:

- shop stewards are satisfied with their terms and conditions as shop stewards;
- the cooperation is mainly in the form of informal meetings between the parties;

- meetings are held regularly;
- the shop stewards see themselves as representatives of the company;
- conversely, the shop stewards see the management as representatives of their own views;
- the shop stewards also sit on the company board, so gain deeper insight into the company;
- the parties agree on the main challenges facing the workplace and understand each other's scope for action.

According to the study, 'workplaces with close relationships between the parties feel that the cooperation is better and therefore corresponds with the parties' focus on the importance of respect, trust and understanding for good cooperation'.

Finally, with regard to the two Bulgarian cases, Belinvest (micro company in the brewery, restaurant and catering business) and Air Liquide Pernik (chemical industry), a striking finding of the case study analysis is that, despite the very specific nature of these cases, the two companies have leadership and management styles that value employees not just as 'numbers' but as people with all their strengths, weaknesses, problems and desires, and recognise the importance of social dialogue for employee motivation, work satisfaction and well-being as well as for effective workplace organisation and productivity.

Business models, work organisation and working conditions

Though the cases in the sample cover a broad range of economic activities and thus occupational profiles and working conditions, there are a number of common features in terms of business models, economic strategies, the organisation of work and the quality of working conditions.

With regard to competitiveness and strategies to develop, maintain and improve their position on local, national or international markets, all companies are following a 'high road strategy'. In other words, the business model and competitive advantages are based on aspects such as quality, innovation and user, client or consumer satisfaction rather than price factors.

This is shown in particular by the cases that operate in a highly competitive market with strong pressures on costs, such as the craft sector cases of Büschkes (roofing trade), Redder and Wietfeld (bakeries), Cadamuro (electric installation), Baldan 88 (shoe production) and Belinvest (brewery). All these companies are faced with increased competition due to sector-level restructuring (concentration trends, increase of one-person companies, globalisation) and in particular competition on costs. The Spanish case of TTT Goiko and the Danish Wodschow as well as the micro companies in the Danish construction sector reported that they are exposed to increasing competition from companies that are able to offer products and services on a lower cost level which is achieved mainly by size (economies of scale) as well as labour costs/wages.

If only the price is considered, we are not competitive. Crucial aspects are quality and service: 'First class roofs', 'quality-oriented work', 'well-trained staff' – these are not only empty marketing promises.

(Büschkes, owner)

It is important to note that the 'high road' approach towards competitiveness and economic success is linked to certain characteristics that also include industrial relations and working conditions. The case study analysis revealed that in all companies analysed there is a continuous search for innovation in terms of markets, products and services, and an expectation that employees should be actively involved and consulted on measures to improve services and products.

This orientation is also illustrated by a high degree of autonomous teamwork, delegation of tasks and responsibilities and self-management found in all of the cases.

This notion of team-based work organisation, however, presupposes a solid degree of loyalty and motivation as well as mutual trust and respect. The active involvement of the owner in the daily work of the company also appears to be crucial, particularly in the micro company cases. This increases the respect among employees as they see the owner as a ‘team player’. This is illustrated quite clearly by a quote from the TTT Goiko case:

The leader of each team is chosen among the team members themselves. In many cases the selection of the team leader is a little ‘forced’, because normally there are no volunteers to fill that role. For that reason, in practice the role of the team leader is rotating (although no employee is required to cover the post of leader, someone has to act as such). Actually, being a leader does not require much time and does not involve more responsibilities. The leader is merely a spokesman, given that decisions are taken among all team members. Hence, workers willingly accept this role when they have to. Team leaders remain in that role for about one year.

This illustrates clearly that employees are a key factor of competitiveness. There is a clear feeling not only that ‘what is good for the company is also good for the employees’ but also that the opposite is true – owners and managers are committed to the idea that good working conditions, including pay levels that at least match the sector standard, that make a ‘motivating work environment’ and result in loyal and engaged employees, contribute significantly to the high quality of products and services.

Good working conditions also include high standards of OSH, as this is regarded in all the cases examined not only as a crucial component of a healthy and ‘motivating work environment’ but also as a signal for clients, partners and consumers (for example in the food-related business) illustrating the ‘high road’ approach of the business. The high rating of OSH standards is illustrated for example by the Cadamuro, Büschkes and also the micro construction company cases. All of them are characterised by work that is carried out outside the company on local construction sites. In these cases, OSH is an important factor shaping the work organisation on the site and a platform for operations planning according to the notion of ‘what should be done must be done’. Similarly, the two German bakery companies report that high OSH and industrial hygiene standards are part of the business model of producing and selling high quality products. Thus, in both companies this issue is a topic of constant dialogue with employees.

Involvement and organisation in networks, institutions and organisations

Though perhaps not a necessary precondition, the involvement and representation of the company in networks at local or other territorial levels, employer and/or professional organisations and institutions, as well as bodies responsible for specific topics (such as OSH, corporate social responsibility), is a further common characteristic of all companies in the sample and should be regarded as an important internal factor of influence.

Perhaps the most intensive involvement in employers organisations, craft chambers and other local, regional and national organisations is found in the two Germany cases. Both companies are actively involved in the respective local craft guilds (*Handwerkerinnungen*) as the main employer organisations at local and regional level, and also in the craft chamber at district level. Furthermore, both companies are actively involved in the regional and even national policy of the craft guilds.

Another relevant factor both at Büschkes as well as the two bakery companies Redder and Wietfeld is the long tradition of involvement in local communities – all have been well-known local companies for many generations and have a certain ‘reputation’ as respected employers. Cadamuro and Baldan 88 in Italy and Spanish Acusmed also have such reputations, characterised by:

- close relationships with local society, particularly relationships developed by the management, based on the exchange of know-how and involvement in business organisations (Acusmed);
- multiple membership (horizontal: craft association; vertical: large employers’ affiliated to Confindustria), in order to establish a community of practice for training and acting as the front-runner at local level (Cadamuro);
- owners actively involved in local sector-level employers’ association; firm deeply rooted in the historical industrial district (Baldan 88).

The Danish company Wodschow, the Bulgarian cases Belinvest and Air Liquide Pernik as well as TTT Goiko in Spain are also heavily involved in the local community and are well known players in their region

Affiliation to employers’ and trade union organisations

Whereas employers and owners are firmly represented and organised in employer organisations and professional associations and regard this as a clear added value, the employee side in the 10 cases is far less well organised in trade unions. Here, the situation varies between zero (Büschkes, Cadamuro) and 100% trade union membership (Wodschow). Furthermore, the perception of the added value of trade union membership from the perspective of employees also varies quite significantly.

In cases such as the companies in Denmark and Bulgaria and also in the case of the Italian company Baldan 88, employees are clearly organised and regard a solid trade union organisation at company level as important, or even a prerequisite, for good working conditions (pay) as well as efficient social dialogue.

By contrast, employees in the other companies are far less convinced about the concrete added value of a union presence. Workers in the two German cases, for example, doubt whether formal structures of employee interest representation at company level (works council) would make any positive difference. Also, there is no perceived real added value linked to trade union membership as all the companies analysed here are regarded as ‘good employers’ with working and pay conditions above the sector’s standards. However, some companies (including the Wietfeld bakery) actively encourage their employees to engage in employee representation structures at the level of local craft guilds.

In the two Spanish cases, the situation is different. At Acusmed, there is no trade union membership and no cooperation with the regional trade union organisation. As the company is seen as having a good working environment and social benefits, the employees do not believe stronger links with the trade unions would provide any further added value.

The situation at TTT Goiko is unusual. In this case, there have been very tense and conflict-ridden industrial relations and this has damaged the image of trade unions. With the change to the NER industrial relations model, the trade union representatives within the company only play a minor role.

Table 11: *Affiliation to social partner organisations at company level and in other representation structures at various levels*

Company	Employer	Employees
Büschkes	Affiliated to employer organisation as well as local chamber of crafts	No trade union membership
Redder, Wietfeld	Affiliated to employer organisation as well as local chamber of crafts	Very low trade union membership, no trade union structures at company level. At the same time employees and apprentices are actively encouraged to participate in local craft guild structures
Acusmed	Affiliated to employer organisation	No trade union structures at company level
TTT Goiko	Affiliated to employer organisation and member of the NER network	Though significant trade union membership, currently only minor role of trade union representatives in the company
Cadamuro	Affiliated to employer organisation	No trade union membership
Baldan88	Affiliated to employer organisation	Fairly established role of trade union representation at company level
Belinvest	Sector-level employer organisation	Trade unions well established at the company
Air Liquide Pernik	Affiliated to employer organisation	Comparatively high trade union membership (> 60%)
Wodschow	Affiliated to employer organisation and involved in local community networks	100% trade union membership and solid cooperation with sector trade union
Micro companies in Danish construction	Affiliated to employer organisation	High trade union membership and solid cooperation with sector-level bipartite body (in particular OSH)

External factors of influence

With regard to formalised practice of social dialogue at company level, the comparative review of national regulation has illustrated the significant differences between countries in terms of the coverage of micro and small companies by institutions of employee interest representation, OSH structures and collective bargaining.

This indicates that the national frameworks of industrial relations, collective bargaining and social dialogue ‘cultures’ should be regarded as a crucial external factors that influence social dialogue at company level.

However, the case study analysis also shows that there are further important external factors that have a strong influence. In particular, representation and organisations of social partners at local and regional level as well as professional and/or sector-specific organisation seem to be important in this context.

Major external factors of influence arising from the case study include:

- national frameworks and context of industrial relations, collective bargaining and social dialogue;
- collective bargaining agreements at national as well as regional level both at sector and cross-sector level;
- local and regional employers’ organisations such as craft guilds, industry employer organisations or networks of employers at various levels;
- territorial, local and regional workers’ (e.g. ‘clubs’) and trade union organisations, again both at sector and cross-sector level;
- territorial social dialogue and bipartite institutions in fields such as OSH, mutual insurance associations and general interest representation (e.g. craft chambers);
- public authorities and governments, including tripartite initiatives, for example on OSH, corporate social responsibility, work–life balance, further training.

As external factors of influence are very much shaped by national framework conditions, for example governing micro and small business organisation and industrial relations, the following section summarises major results by country rather than according to type of case or type of social dialogue at company level.

Germany: Weak trade union coverage but strong influence of social dialogue and interest representation at other levels

The two German case studies reflect some of the peculiarities of industrial relations in micro and small companies in Germany. Although the threshold for setting up an employee representation body (works councils) is as low as five employees and this low hurdle, together with a simplified election procedure to set up a works council, was introduced to stimulate the development of formalised representation structures in smaller companies, the incidence of works councils in micro and small companies is still very low. In fact it is one of the lowest in Europe with only 10% of employees and 6% of companies in the 5–50 size group covered (for more details see the section in Chapter 2 on ‘Coverage, quality and contents of social dialogue’).

A number of reasons for the weak coverage have been put forward in research studies (for example, Schlömer-Laufen and Kay, 2012) as well as in the interviews accompanying the case study analysis. As a voluntary body of employee interest representation, the initiative for establishing a works council in most cases comes from the workers’ side, often in situations of conflict with the management on pay or working conditions, or in the context of a difficult economic situation and restructuring. As illustrated by the German studies, but also confirmed by other research results, employees in micro and small companies who are satisfied with their working conditions as well as their relationship with the owner/management do not see a clear added value or need for establishing a works council, because they regard company-specific forms of bilateral communication or information and consultation as sufficient.

Thus, and this is also confirmed by recent case study based research on SMEs, trade unions are usually actively involved in the establishment of works councils in micro and small companies. Workers who initiate the establishment of a works council normally have contacts with the relevant trade union and also know workers in other companies that already have a works council.

Against this background, the role of trade unions at sector as well as regional/local level should be regarded as a key factor for initiating more formalised structures of employee representation at company level. And in this respect, the shrinking organisational strength of trade unions in Germany, with a membership rate estimated at less than 20% (European Commission, 2013c, p. 24), as well as the effort involved in approaching and organising workers in micro and small companies, is clearly a hindering factor. There are very few local or regional trade union projects or campaigns that actively seek to support union membership and the establishment of works councils in micro and small companies. One of the few initiatives in this context is the bakery project organised by the regional food workers’ trade union NGG in the German federal state of North Rhine-Westphalia.

Paradoxically, the good working conditions that are often regarded both by workers and employers as an argument for not needing to set up a works council or join a trade union, result directly from collective bargaining and social dialogue between employers and trade union organisations at sector level. Here, the two German cases and the respective sectors (roofing/construction and bakery/food manufacturing) illustrate the importance of sector-level collective bargaining for company-level working conditions.

For the roofing trade, payment and working conditions as well as further topics are regulated in several collective agreements between the regional branches of the employer organisation Zentralverband des Deutschen Dachdeckerhandwerks, ZVDH and the trade union IG BAU. Apart from agreements on pay and annual wage adjustments there are framework agreements on issues such as holiday pay and initial and further training. The social

partners have also established a social fund that is operated jointly by both organisations and provides financial support for seasonal employment shortages and additional pension payments. In addition, the social partners agreed on a minimum wage level of €8.50 in 2009.

Similar collective wage and framework agreements exist for the bakery sector. While the wage agreement between the regional branches of the central craft employers' organisation (Zentralverband des Deutschen Bäckereihandwerks) and the NGG trade union includes regulations on annual wage increases, the framework agreement regulates apprenticeship payment, evening/night premiums, weekly working time, overtime, holiday and Christmas pay and other issues.

It should be noted that both the wage and the framework agreements are concluded according to the Germany system of collective bargaining at the regional level (Bundesländer). This means that differences may exist between the 16 federal states, while in some federal states the social partners may not even have been able to agree on a collective agreement.

Though in Germany there is clearly a trend for decentralisation of collective bargaining and an erosion of the coverage of companies by collective bargaining (see next chapter for more detail), a fairly large share of companies still orient their practice towards the sector-specific collective agreements on pay and working conditions.

However, as recent analyses on the coverage of companies by collective bargaining agreements have shown, the share of establishments that apply the relevant sectoral collective agreement increases in relation to company size. While in 2012 only around 26% of all micro companies in western Germany (and only 14% in eastern Germany) were covered by a collective agreement, the share of small companies was 42% (26% in eastern Germany). In contrast, 78% of large companies with more than 500 employees in western Germany and 49% in eastern Germany were covered by a collective agreement (Ellguth and Kohout, 2013). It is important to stress in this context that collective agreements also influence pay and working conditions in companies that are not formally covered by such an agreement. A significant share (38% of micro companies and 55% of small companies in western Germany and 44%-48% in eastern Germany) of companies that are not formally covered by an agreement nevertheless state that they orientate themselves towards the sector-level collective agreement. Apart from pay rates, the aspects of the sectoral agreement that companies most frequently adopt are working time and vacation arrangements.

Another important level of social dialogue and cooperation between the social partners are legal organisations and professional employer associations in the craft sector, which includes roofing as well as the bakeries sector (as well as more than 100 further professions/trades). In contrast to other countries (such as Italy), membership of a skilled craft in Germany is not regulated on the basis of company size or turnover but by a specific craft law (*Handwerksordnung*) that determines which professions are part of the craft sector and thus are restricted professions demanding a master craftsman's examination (*Meisterzwang*) for establishing and running a company. The craft law also determines so-called 'skilled crafts-like trades' where a master craftsperson's examination is voluntary. However, both types of crafts are organised traditionally in two types of organisations and main pillars, the chambers of skilled crafts (*Handwerkskammern*) and the confederations of skilled crafts (*Handwerksinnungen*), with the latter being the main actor in collective bargaining and social dialogue with the trade unions (for further details see Dannenbring, 2012).

It is important to highlight that the chamber of skilled crafts are non-profit corporations under public law. This means that all the approximately one million craft companies in Germany (employing more than six million employees) are members of one of the 53 local craft chambers that are confederated at national level in the German Confederation of Chambers of Skilled Crafts (DHKT). Furthermore, as organisations under public law, the craft chambers represent not only employers but also employees; one third of the members of the craft chamber assembly are employee representatives. Employees are also represented on committees for aspects such as training, for example, where employees and employers are represented equally. Employee representatives/trade union delegates also have one third

of the seats and votes on the management board of the craft chambers and one of the chamber's vice-presidents is also an employee representative.

The second pillar of craft organisation in Germany are the local craft 'guilds' (*Innungen*), voluntary organisations of craft companies representing specific trades or groups of trades. They also fulfil the function of employers' organisations; in other words, they negotiate collective agreements with the trade unions on wages and other issues. There is a solid bottom-up organisation structure consisting of local guilds, regional guilds, guilds at federal state level as well as 37 confederations of guilds at national level and eight other professional associations acting as cooperation partners of the Association of Skilled Crafts Confederations, the UDH. As guilds provide quite a broad range of services for companies ranging from legal and business support consultancy, in the field of apprenticeship and training (including practical training and exams for apprentices, further training), arbitration roles in the context of conflicts between apprentices and managers, as well as further support measures, guilds are normally concentrated at district level in Councils of Skilled Crafts (*Kreishandwerkerschaften*).

It should be noted that, in the guild organisations, there are certain elements of employee interest representation. According to the German crafts law, employee representatives should participate in the examination board, the board of journeymen (*Gesellenausschuss*) and the arbitration board for apprenticeship. An independent body of employee interest representation has to be consulted on all guild matters but in particular on issues related to apprenticeship and training. This tradition of employee consultation and co-determination has a long tradition in the craft sector, having been institutionalised at the end of the 19th century, and is thus much older than similar regulation in other parts of the economy (see ZDH, 2013)

A further and important external factor of influence on social dialogue and practice with regard to OSH in particular in micro and small companies in Germany are the associations of accident insurers (*Berufsgenossenschaften*) at local, regional and national level. As registered associations of self-governance, the association of accident insurers is managed jointly by the social partners, which are represented equally in all main management and governing bodies. Dating back to the social policy reforms of the Bismarck era in the late 19th century, the *Berufsgenossenschaften* play a key role not only in determining compensation for accidents at work, but also in regard to prevention and providing support on all relevant OSH issues, including support for companies in carrying out risk assessments. The associations of accident insurers are also involved in the monitoring of OSH-related developments in specific sectors and professions. As the case study analysis has illustrated, the *Berufsgenossenschaften* play a big part in implementing high standards of OSH practice – by direct cooperation, counselling, providing practical tools and advice as well as by their availability for inquiries, questions and other requests.

There are a number of further initiatives of a tripartite nature that support micro and small companies (though not explicitly focusing on this size group) when it comes to working conditions and work quality. The most prominent is the 'New Quality of Work' initiative (Initiative Neue Qualität der Arbeit, INQA) established in 2002 as a joint initiative of the Federal Government, the federal states, trade unions, employers' and business associations, social security organisations, foundations and individual companies. The initiative focuses on four main areas: leadership, diversity, health, and skills and knowledge, and aims at disseminating good practice, providing guidelines and practical support tools for companies and fostering good working conditions by campaigning and other activities. The tripartite German Network on Workplace Health Promotion (Deutsches Netzwerk für Betriebliche Gesundheitsförderung, DNBGF) is also involved in monitoring health and safety practices, awareness-raising and carrying out regular surveys on workplace-related health issues and accidents.

Italy: External factors at district level shape the quality of social dialogue

In contrast with Germany, social dialogue and collective bargaining in micro and small companies in Italy differs considerably from that in larger companies not only in terms of how frequently it takes place, but also from the point of view of regulatory arrangements. Social dialogue in micro and small firms has a different meaning than in larger ones, as social partners both settle collective bargaining and commit themselves to jointly manage funds collected from employers with the intention of providing contributions and services to both employers and employees. This favours the establishment of a more collaborative relationship, with positive feedback between joint management activities and bargaining. Bipartite bodies have taken this approach since the 1988 cross-sector agreement, when social partners agreed that workplace workers' representatives were unnecessary in companies with fewer than 15 employees. Part of the hours allocated to employees' meetings times and workers' representatives' leaves were converted into a levy for regional-level bipartite bodies in order to finance territorial workers' representatives appointed by trade unions. Thus, conflict resolution was moved outside the workplace as micro and small employers do not have the necessary resources in terms of time and personal expertise. Social partners established regional-level bipartite bodies collecting a yearly levy equivalent to 10 hours' pay, to finance unemployment benefits and support employers' investments in innovation.

These external resources are important because in Italy – although not to the same extent as in Germany – micro companies in particular rarely have trade union members and (company-based) collective bargaining. By contrast, small firms show quite a significant presence of both trade union membership and collective bargaining. According to a recent survey on industrial relations practices in the province of Brescia (Bordogna and Pedersini, 2013), quite a high share of some 60% of small firms with between 20 and 49 employees in the private sector had union members among their employees and almost 30% had a trade union representation structure. The same survey showed that firm-level collective bargaining was present in 17% of firms employing between 20 and 49 workers.

Much more important, however, than company-level bargaining, in particular for micro companies, is the territorial bargaining practice which exists in sectors where micro and small companies are particularly important, such as agriculture and construction. Here, so-called 'second-level' agreements are concluded at provincial level. By contrast, the craft sector is covered by collective bargaining agreements concluded at regional level.

The Italian craft sector is composed of micro and small firms, in most cases with fewer than 20 employees. Social dialogue is managed at territorial level with a prominent role played by bipartite bodies established at regional level. Both OSH and general workers' representatives are appointed by trade unions at territorial level for firms with fewer than 15 employees.

According to the 10 October 2011 regional agreement in Piedmont in the craft sector, implementing the 13 September 2011 national agreement, OSH territorial workers fill in a checklist while inspecting companies' premises. If no complaints emerge, this checklist makes the company eligible for the Italian Workers Compensation Authority (INAIL) premium discount for those firms implementing SGSL, the INAIL OSH certification.

According to the 21 November 2008 cross-sector agreement in the craft sector, working time and its flexibility is regulated at regional level. In Lombardy, regional second-level agreements signed after the 12 February 2012 guidelines stipulate that working time flexibility schemes established at company level must be reported to both the territorial workers' representative (*delegato di bacino*) and the regional bipartite body ELBA in order to become effective. This implies that shared notification will play a central role in craft sector where workers' representatives are not established at company level.

Territorial employee representation and social dialogue in the craft sector of Lombardy

A recent study carried out on behalf of Cgil Lombardy (2012) analysed the crafts sector in Lombardy, which is one of the most economically advanced areas in Italy and represents an important point of observation for the socioeconomic situation in the whole country, including for the crafts sector. In 2010, the craft sector in Lombardy had the highest number of crafts firms with employees (almost 83,500 firms or 18% of the total in Italy), with a total of 200,000 employees (about 20% of all Italian crafts employees). The study was carried out on a sample of 90 crafts firms (two thirds of them with collective representation) and 155 employees. In more than 50% of the firms covered by collective representation, this refers to the health and safety representative, and in around 40% to the territorial general union representative (established in the crafts sector by collective bargaining in 1988). As expected, workplace general representation, as opposed to territorial representation, is rarely present and it involves about 5% of all firms with representation. Just 5% of all firms report having an ongoing dialogue with trade unions. More common is the direct involvement of workers on issues such as the firm's economic situation and results, as well as training. Training appears as an important issue among Lombardy crafts firms. Three quarters of the surveyed firms declared they had organised training courses for their employees in the previous three years; in most cases training included courses on health and safety (73%), production processes (42%) and individual competences (30%). Most of the training had been funded by joint bipartite bodies, the crafts cross-sector fund, and regional authorities, among other bodies. A similarly high proportion of firms said they had made investments on health and safety at work (86%) in the previous three years as well as to improve organisational wealth (76%). Turning to the survey of employees, it is important to note that more than 50% are members of a union and 70% believe their relationships with the union is positive with respect to the improvement of their conditions in the workplace. However, one third think the dialogue between the firm management and the workers is positive and one quarter believe the dialogue between the firm's management and the unions is satisfactory. The knowledge of the various representatives (workplace representatives, territorial representatives, general and health and safety representatives) and of the joint bipartite body is widespread and it involves some three quarters of all workers. The health and safety representative is the best-known worker representative position. Almost half of the workers interviewed had attended some training in the previous two years.

The practice of social dialogue of the Italian cases of Cadamuro and Baldan 88 reflects this importance of collective interest representation and in particular the role of the industrial relations system and social dialogue at territorial level. Both companies are located in traditional industrial districts with above the national average levels of affiliation of employers as well as employees to their respective employer and union organisations. In both cases industrial relations at district level are also based on fairly stable and trust-based industrial relations with a joint understanding of the added value of social dialogue, consultation and collective bargaining.

The bipartite territorial bodies also play an increasingly important role in terms of promoting social cohesion (for example in cases of work suspension, training, corporate social responsibility, skills needs and demographic change).

The case of the micro craft company of Cadamuro illustrates the important role of external resources for promoting social dialogue and OSH practice at company level.

In the Italian craft sector, the decentralised level of social dialogue is established at regional level and, in terms of a cross-sector national agreement reached in 1992, it also includes second-level collective bargaining at sector level. There are also cross-sector agreements on bilateral bodies, labour market interventions and OSH regulation at regional level, where bipartite bodies are established.

As a craft company, Cadamuro has contributed to the the bipartite territorial body of the craft sector in Piedmont (Ente Bilaterale dell'Artigianato Piemontese, EBAP), and has benefited from their support schemes only since 2009, in terms of crisis-related support. Although safety standards in the company exceed legal requirements, the OSH territorial workers' representative has visited the company almost every year since 2009, by disseminating information amongst the workforce about OSH, thus contributing to further improve OSH standards at Cadamuro. Further, there are close and regular contacts with the employee responsible for OSH at Cadamuro, particularly relating to the operative safety plans (*piano operativo per la sicurezza*) required for each construction site.

Thus, social dialogue practice at Cadamuro does not take the usual form of formal negotiations between the workers' representative and the employer, but is rather carried out within territorial arrangements between the social partners to the benefit of all employees, especially those not involved in such a regulatory process at company level.

Spain: Territorial and sector-specific industrial relations as reference

Though trade union density in Spain is estimated to be well below 20% on average, according to recent surveys (European Commission, 2013c, p. 24), national research regarding workplace employee representation in micro and small companies have presented quite surprising results. According to the National Survey on Quality of Life in the Workplace (ECVT), in 2010 around 58% of employees working in small companies and 32% of employees in micro companies had a workers' delegate in their company. Additionally, according to the National Survey on Working Conditions (ENCT), in 2011 40% of employees working in micro enterprises and 56% of employees working in small companies were covered by a health and safety delegate. These figures indicate that the involvement of micro and small companies in industrial relations and OSH frameworks in Spain is comparatively high and may be linked to the strong coverage of Spanish companies by employer organisations (more than 70%) and by collective bargaining agreements (around 90%).

The two Spanish examples of good practice in the sample present distinctive features in terms of product/service innovation as well as management style, e.g. the NER model in the case of TTT Goiko and the fact that good practice in terms of working conditions, industrial relations and OSH is one of the core business areas of the services provided by Acusmed. These cases also illustrate the importance of external factors of influence and, in particular, the important role of the national and regional industrial relations settings.

Like the German and Italian cases, both Spanish companies are located in regions (Asturias and the Basque country) with a long tradition of solid trade union and employers' organisations with local populations as well as regional actors being well aware of the important role of social partners and social dialogue.

Though consultancy and environmental services are recent sectors and thus not among the traditional sectors where trade unions and social dialogue have been most active, even in the case of Acusmed regional and sector-specific industrial relations are a relevant external factor of influence. The company is affiliated to the Federation of Employers of Metal and related businesses in the Principality of Asturias (FEMETAL), which is dedicated to a very important sector in the community and so understandably has an influence even on areas not directly linked to metals. Acusmed has a link to that sector insofar as it has worked in the measurement of noise generated by those industries. Acusmed is part of the Asturias Association of Control Bodies, with a presence on its board, and one of the company's directors is the vice president of the Asturias Quality Club. The company is also represented in FADE, the Asturias Federation of Employers, with which the company has worked on a plan/diagnosis tool for business consolidation.

The case of TTT Goiko illustrates even more clearly the importance of sector-level and regional collective bargaining as a certain 'safety net' or reference for working conditions standards at company level. While the NER model of industrial relations has been influenced and developed in a very specific setting of specialised external actors and factors

of influence (NER group, K2K consultancy), the collective agreement for the metal sector in the province of Gipuzkoa still, and despite all the conflicts with the trade unions, serves as an important reference and orientation for the company. When the NER model was established at the company in 2009, it was also agreed that all aspects not covered by this in-house agreement should be covered by the provincial collective agreement. Thus, although the day-to-day business is based on the model internally agreed by all company members, any potential conflicts or loopholes would be legally covered by the collective agreement.

Bulgaria: Strength of trade union organisation a determining factor

The two Bulgarian cases of social dialogue in a micro company (Belinvest) and a small company (Air Liquide Pernik) are perhaps driven by external factors to a much greater extent than all other cases in the sample. In contrast to the general situation of social dialogue in micro and small companies in Bulgaria, which is characterised by either weak or non-existent membership in trade unions and employers' organisations, both companies have strong union membership, with trade union structures playing an active role at company level, and also a firm coverage by sector-level social dialogue.

Just how exceptional these two companies are in this respect is indicated by the fact that, according to the most recent census, just 1% of micro and small companies in Bulgaria have a trade union presence. At the same time, information and consultation practice as well as employee interest representation in the field of OSH very much depends on trade union structures at company level. Trade union structures are much more important than the other types of employee representation that are provided for in the Bulgarian industrial relations framework, of which, however, only three are relevant also for micro and small companies:

- representatives for the protection of employees' economic and social interests – elected by a general assembly of workers through a two thirds majority vote (in practice, this possibility has not been widely taken up);
- representatives for information and consultation in companies employing more than 50 employees (under Council Directive 14/2002 EC) – since 2006, these representatives have been elected by a general assembly through a simple majority vote. The process of electing such representatives is developing slowly;
- Working conditions committees or groups (WCCs and WCGs) covering companies with more than five employees in which the employees are presented together with the employers' representatives at a parity basis – since 1997.

Against the weak coverage of micro and small companies by either form of general interest representation, these mandatory forms are the only institutionalised structures of employee representation and involvement.

The micro company Belinvest is clearly an exceptional case of a micro company in Bulgaria that has a trade union presence linked to the Trade Union of the Employees in Brewery and other Food and Beverages Industries (TUB). Although collective bargaining does not take place at the company level, the provisions of the sector-level collective agreement for the brewery sector are implemented. Furthermore, although Belinvest is not a member of the employers' organisation, the company follows the rules and recommendations of the Union of the Enterprises in the Brewery Sector. Thus the positive image and practice that characterises social dialogue and bargaining outcomes at the sector level also have a positive influence on social dialogue, industrial relations and working conditions at company level. The social dialogue at sector level is well developed, including consultations, collective bargaining, organisation of common campaigns and activities for workers and employees (including sports and cultural events). As the case study report illustrates, support from the national trade unions and employers' association is also an important factor. Management as well as the company union representatives have stressed the importance of the support of the sector-level trade union as well as the employer organisation.

In terms of OSH practice, company actors regard the resources and external support received by external experts as an important factor in maintaining and improving OSH standards and practice.

Similarly, the case of Air Liquide Pernik illustrates the important role of sector-specific industrial relations for company practice. Air Liquide has adopted the relevant collective agreement at sector level and carries out annual collective bargaining rounds on payment issues according to the sector collective agreement.

Because the company belongs to a larger multinational group, external factors of influence are even more crucial in this case. The following factors were highlighted by company actors in particular:

- the policies of the multinational group which guide practice at the company, for example through the Code of Conduct on good industrial relations and other corporate policies;
- the involvement of the company's management in group networks and management teams dealing with HR and industrial relations issues;
- the support that the management receives from the sector-level employers' organisation and the commitment of these employers' organisations to the values of social partnership and dialogue;
- the coordination role and support employees receive from the two trade union organisations that are active at the company.

Finally, it should be mentioned that according to company-level actors in both companies the economic situation and the market environment should also be regarded as important external factors influencing social dialogue and working conditions. This means that a good market situation and favourable economic environments has a positive influence on industrial relations at company level. At Air Liquide Pernik it was stressed by both the resource manager and the trade union leader that the macro-economic environment should be regarded as a crucial external factor that shapes the quality as well as contents of social dialogue and bargaining at company level.

Denmark: Cooperation and social dialogue as a built-in component of the industrial relations framework

In terms of internal factors of influence, it is evident that social dialogue in Danish micro and small companies is heavily influenced by the long and strong tradition of social dialogue and cooperation as a social as well as corporate value, and the joint interests of both management and employees.

This tradition is also illustrated by the fact that Denmark ranks comparatively highly both in terms of trade union and employers' membership in collective representation structures, as well as in regard to the coverage of micro and small companies by collective agreements..

As specified in most sector-level collective agreements (and not regulated by law), in companies with more than five employees it is possible to elect an employee representative, i.e. a shop steward. It is important to stress that the shop steward is not only the employee representative but also the trade union's representative in the company. The right of trade unions to represent employees at company level as well as to function as the trade union representation at the same time (and negotiate on behalf of the trade union) goes back to the first collective agreement in Denmark, the so-called September Agreement of 1899, when the right to employee representation was given as a counterbalance to the employer's managerial prerogative.

According to the most recent figures, more than one third (35%) of micro companies with 5–9 employees have an employee representative and the incidence of formal employee representation in small companies with 20–49 employees is as high as 69% (and 57% of companies employing a workforce of 10–19) (Larsen et al, 2010, p. 245).

The comparatively high coverage of micro and small companies by employee representation structures corresponds with a strong coverage by collective agreements which, according to the most recent industrial relations in Europe report, is more than 80% (European Commission, 2013c).

A specific characteristic of the Danish industrial relations system is the interplay between national-level agreements and company-based collective bargaining. Most collective agreements are concluded at sector level and elaborated further at company level, particularly in the area of wage development. Although there might be local differences, the basic rules in the sector agreement have to be followed. It is possible, however, but still in accordance with the sector-level agreement, to deviate from certain paragraphs in the sectoral agreement. This includes the rules on employee representation, working time and vocational continuing training. The only condition is that both parties in the company must agree. Formally there is no difference between the practice of collective bargaining in micro and small companies, or between SMEs and large companies for that matter.

This means that trade union representatives and shop stewards play a crucial role in company-based bargaining rounds in micro and small companies as well as in larger ones. The Danish system does not provide for any territorial dimension of collective representation. Thus collective bargaining in micro and small companies is related to the sector level and complemented by company-level bargaining processes that take place annually with the shop steward playing the major role. As collective agreements not only regulate basic payment and working conditions but quite a large range of aspects such as training (leave), holiday arrangements and working time, they are very important for actual conditions and relations of work at the company level. Thus the coverage even of micro and small companies is very high. According to a comprehensive survey carried out by LO Denmark in 2010 around 67% of companies with 5–9 employees have a collective agreement, according to the managers. In small companies with 10–19 employees the share is 74%, and 82% in companies having 20–49 employees.²⁴

As mentioned above, regarding information and consultation and the Danish concept of cooperation, the framework is characterised by a comparatively high threshold. According to the Cooperation Agreement that has been concluded between the Danish social partners, only companies with more than 35 employees are obliged to establish a cooperation committee consisting of an equal number of employee and employer representatives whereas the shop steward is the spokesman of the employee side. While such cooperation structures may also be established in smaller companies if both sides wish to do so, the actual number of such committees in small companies is low. In reality, the practice of social dialogue in micro and small companies would be based on the direct exchange between the shop steward and the management and not channelled by the formal structure of a cooperation committee.

Finally, in relation to OSH issues, the Danish Working Environment Act requires all companies with employees to set up an OSH structure at company level, follow certain rules and undertake an ‘assessment of the working environment conditions at the workplace’ (Arbejdspladsvurdering, APV) irrespective of the size. The law also stipulates that all companies – regardless of the size – must complete an annual working environment/safety discussion which should also include company-specific objectives and targets for the coming year.

²⁴ For further details see also the table in the annex.

However, in terms of company-level structures and institutions the Danish OSH legislation differentiates between micro companies and other companies. The law requires companies with 10 or more employees to organise OSH activities in a Working Environment Organisation (Arbejdsmiljøorganisationen, AMO) and stipulates that they should have a ‘working environment representative’ as the main person responsible for OSH issues. The company also has to provide members of the working environment organisation with specific initial training and continuing further training of five days per year. For companies with 35 or more employees the law stipulates that the company has to establish an OSH organisation at two levels – a working environment group and a working environment committee with the same rules as in the case of OSH training. Employees elect a Working Environment Representative to the Working Environment Group established by the employer, for a particular department or field of activity.

Micro companies are not covered by the legal obligation to establish a Working Environment Organisation (AMO) at company level. However, micro companies are covered by certain OSH-specific rules, for example the working environment conditions assessments and the annual social dialogue on OSH issues. Thus, micro companies in particular rely on external resources of support and advice. In view of this, the Danish government, as well as the social partners at cross-sector and sector level, have targeted micro and small companies with a range of different activities and measures.

- Targeted suggestions and recommendations aimed at companies with fewer than 10 employees are included in the 2010 action plan of the ‘National Strategy for the Working Environment’, drafted by the national Working Environment Council (Arbejdsmiljørådet, AMR). Within the AMR the social partner organisations play a major role.
- Over 60 industry-specific checklists for establishing workplace-specific risk assessments (APV, see above).
- 11 industry-level Working Environment Councils (Branchearbejdsmiljørådene, BAR), which are run exclusively by the social partners, provide information, practical guides and checklists for micro and small companies in particular.
- A vast number of guidelines, information materials and questionnaires are made available to companies via the trade unions and employers’ organisations, the bipartite BARs, the AT, and the Working Environment Information Centre (Videncenter for Arbejdsmiljø, VFA).

The two Danish case studies illustrate the clear influence of social partners, collective agreements and the sector-specific OSH structures on company-level social dialogue practices and structures. The case of Wodschow is the only one in the sample where social dialogue also includes co-determination and collective bargaining at company level and where comprehensive structures of employee representation, cooperation committee structures and collective bargaining practice are in place. Furthermore, and actively supported by the sector-level BAR for the industry (I-BAR), which is organised jointly by the main social partner organisations in the industry sector, Dansk Industri and CO-industri, Wodschow has established a standard of OSH so high that it has won several awards as a best practice. Apart from information, guidelines and other material that I-BAR disseminates, a major activity of the Council is annual so-called ‘road shows’ that take place each year at local level (in 2014 at 10 different locations) and provide information on legal developments, research results, good practice and practical advice. These road shows attract smaller companies in particular and are regarded by both social partner organisations as a big success in terms of disseminating good practice in OSH.

The influence of sector-level social partners on a micro company is even stronger in the second Danish case of good practice. Here, the Danish Construction Association (Dansk Byggeri) as well as various trade unions in the construction sector, e.g. the Wood, Industry and Building Workers’ Union (Forbundet Træ-Industri-Byg), Dansk Metal and 3F as well as other unions, initiated a number of activities to improve OSH standards and practice in particular in micro and small companies in the construction sector. One remarkable initiative is the mobile service of the Safety and Health Preventive

Service Bus (*Byggeriets Arbejdsmiljøbus*). The service aims to help companies, safety representatives and employees to develop and ensure safe and healthy working conditions and prevent accidents at construction sites. The project consultants visit construction sites and directly address employees as well as managers on the site. While the primary task is to improve the general standard of safety and health conditions at the construction site, the consultants also aim to establish more durable links with the OSH representatives or committees of the companies.

The joint initiative was established as part of the sector-level collective agreement and is financed by the ‘Construction Sector Development Foundation’. A visit by the consultants is free of charge for trade union and employer organisation members.

European-level policy, regulation and frameworks as an external factor of influence

A clear message from the interviews with managers and owners at company level is that OSH regulation is not regarded as a particular burden, and in several cases is seen as a way to improve the quality of organisational design. The case study companies all represent good practice working conditions.

The influence of the European Directive on information and consultation is perceived as rather weak in the older Member States, as the transposition of the directive did not need to adjust national frameworks much, if at all. In Bulgaria, the impact is stronger because social dialogue has a weak tradition in the national context, where it existed at all.

In terms of the impact of European social dialogue, the case study analysis shows that company-based actors are aware of the European sector-level social dialogue only if they are affiliated and organised by social partner organisations or professional organisations. These are crucial links of information when it comes to European policy developments.

However, a strong and somewhat surprising message that came across in the interviews with company actors (both employers and employees) as well as national social partners (in particular trade unions) concerns the impact of European regulation and policy on corporate structural change, working conditions and employment conditions.

Europe often is equated with the ‘4 freedoms’ and, according to many interview partners, with market liberalisation and increasing competition. This puts stress not only on the protection of markets/sectors but also on working conditions and the quality of work and industrial relations as it favours business models and competition based solely on cost/prices rather than on quality and good working conditions. Examples in this context were highlighted by some of the interview partners at company as well as sector level, in Germany, Denmark and Italy:

- the growing pressure from Europe on the German craft trade regulation and the pressure to lift formal occupational standards;
- the assessment made by actors in the construction / building sector both in Denmark and Germany that participation in public tenders is no longer possible as they are dominated by either very large companies or companies based on low cost practice (i.e. low pay, or not applying collective pay agreements).

Thus, according to several of the interview partners at company level, as well as within trade union and employers’ organisations, the European policy and in particular the competition and free market policy (which in fact reflects global pressures and trends) puts pressure on social dialogue and good working conditions at company level (and thereby on organisations above the company level).

In contrast, the instruments and elements at European level that should foster the social dimension (including good practice in OSH, information and consultation, social dialogue) are regarded as rather ‘soft’, i.e. implemented at national level only half-heartedly or even in a purely symbolic fashion.

Key drivers of social dialogue in micro and small companies, sustainability and challenges

Social dialogue as a business case and a matter of social responsibility

A striking result of the analysis is the close link between management styles and business strategies. In terms of the latter, social dialogue is regarded, not only by employees but in particular by the owners and managers, as having a positive effect on productivity, efficiency and innovation, as well as flexibility and the capability to adjust quickly to changing market conditions. Thus social dialogue in micro as well as small companies can be regarded as something that pays off; in other words, the ‘costs’ (in terms of resources, training, working time spend on information, consultation or even negotiation) are clearly exceeded by the benefits gained. This pattern also includes the social dialogue on and practice in OSH, where all the cases analysed in the sample display an above-average level of standards, invest quite significantly in resources and training and at the same time highlight the positive effects in terms of work satisfaction, reduced levels of absenteeism due to illness.

In this context it is also striking that several of the case studies illustrate developments and situations of restructuring or other significant change processes (e.g. the transfer of the company from one generation to the other), where social dialogue was significantly strengthened, and often linked to a new model of business orientation, management style or stronger team-based orientation in order to increase the performance, efficiency and productivity. The extreme case in this context is TTT Goiko, where fairly drastic change in the form of the new industrial relations model of NER was introduced after a crisis. But the Büschkes, Redder, Wietfeld, Cadamuro and Belinvest cases also illustrate situations of change.

Apart from the economic added value of social dialogue, the micro company cases in the sample also illustrate certain features of owner-run business. In all micro company cases the owner is actively involved in the daily business and part of the ‘team’, with the effect that he/she perceives employees not as ‘human capital’ or ‘numbers’ but as fellow workers. And the opposite is true: flat hierarchies and active involvement in production and business processes increase respect from the point of view of employees as well. This, in turn, results in mutual trust and respect, which is regarded as a precondition of good practice in social dialogue and industrial relations. Social dialogue in this case is part of a respect and trustful relationship between an owner who acts in a social responsible way and employees who do not necessarily have to rely on or channel their communication through formal institutions (such as works councils).

Bearing in mind the limited number of cases and national frameworks analysed in this study, these two factors seem to be crucial internal driving forces of social dialogue in micro and small companies.

When it comes to external factors, in particular the role of legal frameworks (including thresholds for formal structures of interest representation, cooperation or OSH organisation), an assessment is more difficult. The study clearly shows that territorial structures and collective representation play a particularly influential role in terms of initiating, supporting and shaping practice at company level. Sometimes, as in the case of Italy, territorial representation and bargaining functions as a ‘substitute’ for representation and bargaining at company level, whereas as in the case of the German and Spanish cases, collective agreements at regional/provincial sector level function as a kind of ‘safety net’.

At the same time the cases also show that territorial representation and social dialogue is only a reflection of a broader country-specific ‘culture’ of industrial relations contexts. This culture very much shapes the influence, organisational

strength, functioning and roles of social partners at various levels, the role and influence of collective bargaining and social dialogue in contrast to legal regulation. It also strongly influences the perceptions and practice of actors at company level – for example, their willingness to join employers’ organisations or trade unions, the view of social dialogue as a win–win formula or the perception of collective agreements as a practice that could either help and simplify industrial relations at company level or as a burden and hinderance.

Though this is true regardless of company size, the effects on micro and small companies should be regarded as much stronger than in larger companies due to the generally weaker coverage by formal structures of social dialogue (partly reflecting legal thresholds).

In terms of these external drivers and factors of influence the study has generated a number of important questions and issues that clearly deserve further and more comprehensive research, e.g. in the functioning and effects of territorial organisations, bipartite bodies for company-level working conditions and industrial relations.

Sustainability and challenges

The case study samples of good practice in social dialogue, including OSH at company level illustrate quite well that good practice is linked to high standards in terms of working conditions and pay, as well as further aspects such as training, work–life-balance, OSH practice, etc. In fact, all cases are located in the ‘high quality – high price segment’. In particular, in the cases from sectors characterised by a strong increase in competition on the basis of cost factors (for example roofing, bakeries, electric installation, shoe making, metalworking), this practice is clearly linked to a business strategy that is based on the quality of the products and the service delivered rather than on the price.

While, in general, this model can be regarded as quite sustainable, it is also vulnerable when it comes to changes in the market environment and regulatory framework that may undermine major preconditions and/or determining factors. In this context a number of challenges were highlighted by the interview partners at company, as well as, sector level.

For example, actors in countries such as Bulgaria, Spain and Italy have reported increasing pressure on companies in terms of prices and costs due to a worsening of the broad economic climate. In Germany, actors at both company and sector level have highlighted the substantial structural change that has taken place in the craft sector in the past decade as a result of both the deregulation of labour law requirements and contractual arrangements and the lowering of restrictions for major craft occupations such as painting or tiling. This restructuring has resulted in three major trends:

- a massive increase in micro companies (often one-person companies) as a result of the lifting of market entrance barriers, as well as changes in labour market policies (for example, the financial support programmes for business start-ups, so-called Ich-AGs);
- growing competition has resulted in concentration trends and an increasing number of very large craft companies with several thousand employees;
- increasing pressure from both sides on the traditional and often family-run craft companies, resulting in a downward spiral in terms of working conditions, and contractual standards (e.g. a growing share of marginal part-time employment, OSH standards as well as industrial relations at company level).

The bakery sector has been particularly strongly affected by these trends, with increasing pressure on the ‘high quality – high price’ companies.

These changes have also affected the industrial relations context, which in turn affects the company-level industrial relations and the external as well as internal conditions of social dialogue and OSH practice. Interview partners in all countries highlighted the long-term trend of reduced organisational capacities of trade unions as well as employers' organisations as a challenge for industrial relations systems and the resources available at territorial level. This decreasing coverage and influence of national, sector-specific and territorial collective representation has a particularly negative effect on the micro and small companies that pay comparatively high wages (in other words, in accordance with the relevant collective agreements), and that have above-average OSH standards and functioning social dialogue and employee influence because – as explained above – these rely very much on external resources and support structures. The examples of Spain and Germany illustrate this interdependency and 'vicious circle' quite well.

In Spain, in the midst of the crisis in 2012, the 'Bipartite Agreement for Employment and Collective Bargaining (2012–2014)' was signed by the Spanish Confederation of Employers' Organisations (CEOE), the Spanish Confederation of Small and Medium-Sized Enterprises (Confederación Española de la Pequeña y Mediana Empresa, CEPYME), the Trade Union Confederation of Workers' Commissions (CCOO) and the General Workers' Confederation Trade Union (UGT).

This important bipartite agreement signed at national level establishes general criteria and guidelines for collective bargaining. Although the agreement does not pay much attention to the particularities of the smallest companies, some of its guidelines are particularly relevant for them. According to the agreement, sector-level agreements at state level or, alternatively, at Autonomous Community level, must develop rules of articulation and structuring to govern the structure of collective bargaining in a sense of decentralisation. This decentralisation means that sector agreements should promote collective bargaining at company level on the initiative of affected parties, as the level more appropriate to set issues such as working hours, functions and salaries. Obviously, this movement towards collective bargaining at company level is important for micro and small companies, where social dialogue structures are weaker. Especially from the employers' perspective, having the option of adapting sectoral and regional agreements at company level should bring greater flexibility and better opportunities for Spanish companies. In other words, adjusting working conditions via company-level agreements is a good solution for the survival of the businesses.

However, the labour market reform approved by the government soon after the agreement, changed the framework in which the agreement was signed. Company agreements are now given precedence over multi-employer agreements. Moreover, the law allows an opt-out from collective bargaining if the enterprise records a drop in its revenues or sales for six consecutive months. As a result, trade unions complain that some of the company-level agreements approved recently have established conditions which are very disadvantageous for workers. Therefore, the presence of trade unions in companies is now especially relevant, in order to ensure the balance of interests between employers and employees in the negotiation of new internal agreements. However, as explained above, the situation in this respect in micro and small companies is not really favourable.

In Germany, the trend of decentralisation and the erosion of collective affiliation has been a striking characteristic of the industrial relations systems in the past decade. This shift to decentralisation has been described as an 'escape from collective agreements' (*Tarifflicht*). The trend has affected micro and small companies in particular, and is also a result of the structural changes described above, particularly the rapid increase in low-cost competition.

A significant feature of this process has been the sharp decline in membership of companies in employer organisations in the craft sector. On average, the membership rate of craft companies in the respective employer organisations is as low as 40–45% in the older, western German federal states, while in eastern Germany the affiliation rate is estimated at less than 15% (Weimer, 2013). To avoid further membership losses, some German employers' associations have introduced an option for companies to become associate members, not bound by the collective agreements signed by the

association (*Ohne Tarifbindung*, the so-called OT). From the perspective of micro and small companies in the craft sector in particular this is quite a significant change as, until now the affiliation to an employer organisation also preconditioned the commitment to the rules, standards and wage levels that are regulated in the respective collective agreement. And here, again the polarisation trends described above are reinforced. While a growing number of micro and small companies act outside the industrial relations and collective bargaining system on the one hand, the number of company-based agreements in very large companies is also increasing. And once again, both trends are particularly affecting those companies that still follow sector standards of working conditions as agreed between the social partners, pay membership fees and try to avoid a worsening of industrial relations and contractual arrangements.

Though these seem to be the most important and challenging trends, further challenges were also highlighted by interview partners in different countries and companies. These trends included growing problems in recruiting and attracting younger workers and trainees as a result of demographic and cultural changes, and social trends of individualisation and ‘marketisation’ among employees as well as owners/managers and customers that result in the erosion of collective representation, local communities, social responsibility and acknowledging the costs of good quality (customers).

Summary

Apart from providing an update and overview of research results and regulation with regard to social dialogue in micro and small companies, a major part of the study consisted of identifying and analysing company cases where social dialogue has worked well. In terms of countries, sectors and local contexts covered, the case study analysis was very limited, but the fieldwork revealed that there are a number of common features, drivers and success factors when it comes to social dialogue in micro and small companies, irrespective of the national and sector-specific backgrounds.

With regard to the different types of social dialogue and employer–employee relations, it was found that bilateral discussions and dialogue have been the typical form of social dialogue in micro companies – four out of five micro company cases exemplify this type of social dialogue. This form of dialogue is characterised by the absence of legally specified institutions and bodies of interest representation in favour of ad-hoc forms of institutionalisation (e.g. senior spokesperson functions, employee–employer meetings) and resources. When it comes to OSH, the practice is very much driven by the applicable legal framework and also by the motivation of the owner to establish ‘best practice’ and a motivating and satisfying working environment as part of a quality-orientated business strategy.

Formalised social dialogue and employee representation practice, either in accordance with the national regulation of interest representation or as a result of company-specific practice, was the most important type of social dialogue in the small companies in the sample (four out of the five small company cases). In contrast with bilateral discussion, this form of social dialogue has a much stronger degree of formalisation and thus less ad-hoc practice, for example in regard to the contents and topics covered by information provided by the employer, as well as by consultation processes between the actors at company level. In terms of concrete forms and institutions involved in general employee representation as well as OSH, this form of social dialogue is largely shaped by the frameworks that exist at national level, such as works councils, cooperation committees, trade union bodies and territorial representation structures.

With regard to external factors of influence, it should be noted that national and local frameworks, cultures and traditions, as well as practice and organisation of industrial relations, social dialogue and collective bargaining are particularly important factors. In this case, social dialogue in micro and small companies reflect general conditions; for example, membership and coverage by social partner organisations, collective agreements and so on. A striking illustration here is the small company case from Denmark, which is the only case study with a form of social dialogue that had collective bargaining at company level.

Perhaps the most important internal factor of influence is the leadership and management culture. In micro companies in particular, this culture is determined by the owner of the company, who is usually heavily involved in work process and the core business of the company. There are further common important internal factors and drivers that contribute to social dialogue practice at company level, including a business model that is based on the quality of the product or service delivered, high customer orientation and satisfaction as main factors of competitiveness and economic success, a participatory approach of leadership and work organisation, active involvement in local and/or sector-level employer and professional networks, institutions and organisations, and practice that could be described as a ‘best in class approach’ in terms of payment and working conditions.

When it comes to sustainability and challenges, the case study analysis shows that trends such as the emergence of ‘cheap’ competition based mainly on low prices are regarded as the major challenges at least by those micro and small companies that are active in highly competitive markets. Here, the increased pressure on costs as reported by interview partners at company as well as sector level, also result from trends like opening and liberalisation of markets and occupations (e.g. crafts), internationalisation, lifting of labour law regulation and decentralisation of industrial relations and collective bargaining. All these factors have contributed to a declining adherence to collective agreements and working conditions standards.

Overall conclusions and policy pointers 4

Micro and small companies as a research topic of research

A key issue to emerge from the literature review is that knowledge about industrial relations issues and social dialogue practice in SMEs in general, and micro and small companies in particular, is still very limited. The unique characteristics of micro companies in terms of aspects such as ownership, management structures and industrial relations, as well as their coverage by legal and other frameworks of regulation, has not been addressed from a comparative perspective by the industrial relations literature. This review has also revealed that, in respect to European comparative data and analysis, Eurofound occupies a prominent position. Most studies and literature on labour and industrial relations in SMEs are based on quantitative as well as qualitative data gathered by Eurofound studies and surveys. Regarding OSH, the European Agency for Safety and Health at Work has a similar prominent position.

There are significant research gaps on patterns and trends of social dialogue practice in micro and small companies in terms of their representation in employer organisations as well as professional associations. While most studies focus on SMEs in general, they often contain generalised conclusions for micro and small companies and do not address the specific size group of companies with fewer than 50 employees. Similarly, there has been little comparative research on the role of different forms of collective representation of workers in micro and small companies in trade union organisations and structures at local level, for example by territorial union representatives, labour clubs and generally by local trade union organisations and structures (e.g. for small craft companies). Furthermore, the available information on the coverage of micro and small companies by collective bargaining is still limited, in particular also on the question of how coverage by collective bargaining and other outcomes of social dialogue may be fostered.

Comparative analysis of regulation, practice and policies

Turning to the results of the CAR and the case study analysis, a first conclusion of this study concerns the differences between micro and small companies in terms of the main research questions of the study. It is important to bear in mind here that, with regard to management culture and employer–employee relationships (working owner, personal relations, informal and direct communication and formalisation of industrial relations), there are significant differences between micro and small companies. Depending also on national legal frameworks with respect to different size groups, it was found that industrial relations in small companies with more than 10 employees are less direct and personal and that a larger size also calls for a higher degree of formalisation. By contrast, in micro companies everything is more direct and informal. In the smaller firms, the owner/manager often works alongside the employees, often carrying out the same type of tasks (this fact seems crucial), which has an influence on the relationship and the owner's perception of the working conditions and other aspects of the workplace. The sector context of activities and aspects such as capital intensity, specialisation and other market conditions can probably also be regarded as important in this respect.

The comparative evaluation of national contributions to the CAR shows that national regulations exclude legally stipulated formalised forms of social dialogue in micro companies in just 5 out of 28 countries. On the other hand, the share of employees in micro and small companies that actually benefit from social dialogue institutions at the workplace displays a broad variability. As a consequence, the particular character of the relationship between the employer and the employees on the one hand, and the institutional resources generated by the national industrial relations system on the other, are the main factors affecting the development and practice of social dialogue.

The comparative survey, the in-depth research on five countries and the individual cases of good practice all demonstrate that the dominant form of social dialogue in micro companies is bilateral communication. The case study analysis shows that less formalised and structured social dialogue seems to be the most suitable form of social dialogue in micro companies and that the thresholds introduced for general employee representation or for issues such as OSH thus reflect practical experience.

Legal and other framework conditions of industrial relations have a huge impact on social dialogue at company level. The influence of national, sector-specific and local/regional organisations varies significantly and reflects different models of social dialogue and industrial relations. However, these frameworks have a significant influence on social dialogue in micro and small companies. In particular, aspects such as the organisation and membership in employer and employee organisations and collective bargaining have a important influence on the outcomes of social dialogue. However, apart from regulations (or together with them), the national as well as sub-national (regional, even district-specific) cultural and historical factors and perspectives on work – its social role and its organisation – and society in general also have a large influence on social dialogue. Where legislation does not reach or reaches with difficulty – as in the case of micro and small companies – these factors become more important.

More formalised structures and practice of social dialogue in micro and small companies are favoured by factors other than the low thresholds for employee representation (covering at least some micro company size groups). Other important factors seem to be the bigger coverage of companies as well as employees by social partners' organisation and collective bargaining and the integration of micro and small companies into the system of organised industrial relations.

The stronger the company's involvement with employers' organisations and trade unions and the greater the coverage by collective bargaining, the more likely is the presence of formal structures of social dialogue in micro and small companies . However, even in cases where they are in place, the presence and scope of social partners' organisations remains more difficult in micro and small companies, in particular for trade unions for organisational reasons – as unions often lack the capacity and resources to take care of smaller companies. When it comes to the representation of employers, the situation is different as, apart from employers' organisations, there may also be professional organisations (such as chambers of commerce) in place at local and regional level.

Therefore, regarding the formal structures and institutions of social dialogue, as well as negotiation practice at company level, the broader framework of industrial relations and its social factors (tradition, legitimacy, acceptance, organisational strength and coverage of companies) seems to be crucial. Underlying social factors and traditions are particularly obvious in Denmark and the solid rooting of the cooperation idea in the Danish industrial relations tradition. This has also resulted in bipartite institutions and organisations at sector level (e.g. TekSam) that play an important role in fostering or facilitating social dialogue in micro and small companies. The cooperative movement in the Basque Country is also anchored in very specific local conditions and history, although the impact on enterprises outside the cooperative movement seems limited. Similar patterns of solid and regionally rooted social partners' organisation and stronger traditions of bipartite social dialogue and joint initiatives at regional level can also be found in central and northern Italian regions and the German federal state of North-Rhine Westphalia.

These examples also show that these types of joint practice and structures (both at company level and above the company level) seem to be more suitable for facilitating social dialogue in micro and small companies than unilateral structures and practice (works councils, unilateral organisations of trade unions and employers) at company level.

A clear result of the study in this context is that, as company-based and autonomous negotiation processes are rarely found in most micro and many small companies, the need for local, regional territorial and/or professional and sector-level structures and organisation of social dialogue is much greater in micro and small companies than in larger ones. The establishment of territorial-level workers' representatives, including OSH representatives, also goes some way to meeting employers' objections to employees' representation at workplace level, given that the unions' have full legitimacy and access to the workplace in order to achieve a better compliance with employment regulations and especially OSH.

It is quite striking that in all the case studies, the employers in particular are actively involved and represented by such institutions and are covered by a collective bargaining agreement that regulates not only minimum standards of working conditions and wage levels but also aspects such as extra sectoral or professional pensions, further training, and so on.

Regarding collective bargaining at sector level, it must be emphasised that against the background of a lack of collective bargaining at company level (due to the small size and scarce trade union representation) sector-level agreements are very important for establishing certain minimum standards in terms of working conditions and wages. This is illustrated, for example by Italy, where the coverage of micro and small companies by agreements increased significantly after social dialogue and collective bargaining was established at regional/territorial level. Current trends in many EU Member States, such as the decentralisation of collective bargaining and strengthening of company-level bargaining and agreements (as in Spain for example) and the implications of the decreasing influence of sector-level bargaining for industrial relations and working conditions in micro and small companies, need to be further explored and discussed by the social partners as well as by industrial relations research. It would be particularly important to gather both qualitative and quantitative evidence on the role and impact of external structures of organisation, interest representation and regulation for good working conditions.

Opinions on the impact of European-level policy and regulation are sometimes contradictory: there is a perception – in most cases from trade unions but sometimes even from employers – that competition policy and measures aiming at implementing the internal market undermine the social model and social dialogue in Europe. The good practice examples in this study illustrate a certain business model/case that is definitely not based on competition on prices and costs but on quality and innovation. In this case, social dialogue fosters a win–win situation in line with the EU 2020 goals. But the question remains whether or not this is currently mainstream practice in micro and small companies. In fact, the statistical data and empirical evidence indicate that it is not.

This business model that combines competitiveness with good working conditions and social dialogue at company level faces increasing pressure today both from economic trends (2008 crisis, euro crisis) as well as from policy re-orientation (revision of labour law). These trends and the transfer of social dialogue to the company level have been described above and are particularly relevant in countries such as Spain. It is important to bear in mind the importance of the philosophy and business model of the owners/employers in fostering (or impeding) the development of collaborative models of social dialogue in micro and small companies.

In terms of changes in legal frameworks since 2008, those EU Member States that were most affected by macroeconomic adjustments have also experienced the most significant changes in the regulation of social dialogue in micro and small companies. However, the direction of these changes is different: Greece, Slovenia and Cyprus removed or lowered the threshold for employee representation, especially on OSH issues, while Romania and Hungary restricted the scope for employee representation at small companies by excluding micro businesses from their regulation.

This study shows that social dialogue plays an important role in implementing OSH standards in micro and small companies, without increasing their administrative burden. In this regard, territorial-level social dialogue has increased its scope in countries such as Norway and Italy with long-standing traditions in sectors dominated by micro and small companies, by extending dialogue to new sectors and companies. Hence the social partners have widened the scope for territorial-level OSH workers' representatives as a way to both improve employees' protection and the quality standards of enterprises without placing a further administrative burden on firms. This contrasts with other countries such as France, where the government hampered the social partners' joint will to promote territorial-level social dialogue in micro companies, a goal that was finally achieved in 2011.

Finally, in several Member States the cooperation between social partners and governmental agencies, accident insurers and labour inspectorates has resulted in new tools that simplify procedures without harming OSH standards. Such cooperation takes many forms: tripartite cooperation at cross-sector level (as in Austria and Norway), extended at decentralised level (Cyprus), tripartite action aimed at defining a set of guidelines, simplification tools at sector level (Greece), especially in construction (as in Ireland), sector-level bipartite cooperation both autonomously managed (Luxembourg and Sweden) and complementing tripartite action (Denmark) or labour inspectorate's actions and regulations (the Netherlands, Lithuania, Estonia). Finally, the tripartite cooperation between social partners and national work insurance in promoting OSH certification in Italy is promising as a means of both simplifying procedures and enhancing competitiveness.

This was not the case in Spain and the United Kingdom, however. In these countries governments acted in a unilateral way, counterbalanced by the active role of national OSH institutes. OSH prevention policies specifically targeting micro and small companies are still an open issue: only Finland has introduced a specific approach to this (in 2013), while several Member States issued guidelines and practical orientations for micro and small companies as well as – in the case of Spain – for self-employed persons.

Policy pointers and future research

- This study, and in particular the review of literature and research evidence, has shown that there is a significant gap between current knowledge on industrial relations and social dialogue practice in micro and small companies on the one hand and the extraordinary (and increasing) role of micro and small companies for job creation, innovation and growth in Europe. However, both the study and the case study analysis confirm the existing assessment that micro and small companies are much more than 'copies of large companies on a smaller scale' – there are profound differences in terms of social relations, corporate culture, work organisation and decision-making processes as well as resources.
- With regard to industrial relations as well as formalised structures of HR, OSH and social dialogue, micro and small companies differ significantly from larger companies. Rather than being embodied in formalised structures and instruments at company level, good practice of social dialogue in micro and small companies is characterised by open and trustful relationships between employers and workers that are established around a common set of interests. The development of common interests, however, requires a certain degree of formalisation which in turn is often provided by external actors of social dialogue in bipartite and tripartite institutions and professional organisations.
- Social dialogue institutions, various practices and collective bargaining at local and/or sector/professional level provide important resources and act as supportive networks, orientation and facilitators by addressing the specific needs of both employers and employees. A broad range of topics are covered: OSH (e.g. by providing guidelines, toolkits and assistance with compliance), social and welfare support or initial and further vocational training. As shown by the good practice cases in this study, these activities contribute positively to industrial relations and management capabilities, innovation and competitiveness, closely linked to business models that are based on quality production and services rather than mere price competition. Examples from the case studies – for example, the concepts of cross-sector or craft-specific territorial-level representation, social dialogue and collective bargaining – illustrate that suitable practice is not only possible but contributes to good practice working environments and economic success.
- In view of the lack of company-specific resources and formalised structures, social dialogue and collective agreements at local, regional and sector level – as well as various bipartite and tripartite institutions – are much more important for micro and small companies than for larger ones and thus need to be preserved, strengthened and promoted. This finding has an important bearing on the European as well as national debate on lifting administrative burdens for SMEs. This study, and in particular the interviews with employers at company level, has revealed that

the existing regulation, for example in the field of OSH, is not regarded as a particular burden. But despite this, the special features of small companies, in contrast to larger companies when it comes to financial as well as other resources, results in a greater need for external structures of support, information and advice.

- This study has also shown that micro and small companies are not a homogeneous size group when it comes to industrial relations and social dialogue. As the case studies demonstrate, micro companies are different from small companies because of the sharing/rotation of workplace activities, and the strength of social ties outside the workplace – family, ethnic, communitarian and relating to professional origin – that shape their internal labour and social relations as well as their internal organisation. Considering the general lack of industrial relations and working conditions research and evidence on micro companies in particular, these features of small companies need to be explored further. There is also a need for stronger integration and strengthening of the voice of employers, and especially employees, in micro and small companies within social dialogue at national as well as European spheres both at cross-sector and sector level.
- In terms of future research needs, the findings of this study, and in particular the findings of the case study analysis, reveal the need for more in-depth and comprehensive qualitative analysis on industrial relations in micro companies. As the limited analysis of only five countries and 10 cases has shown, social dialogue is regarded by company-based actors as a real added value for both employers and employees, not least when it comes to OSH practice and quality. This evidence should be broadened by further case study work that could focus not only on individual companies but also on good practice experience of supportive sector-level and/or regional industrial relations frameworks and settings. Such research could also gather findings and evidence on how small companies can address the challenges and risks to social dialogue and good working conditions that they currently encounter.

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Table A1: Coverage of micro and small companies by institutions of social dialogue and by collective bargaining

Country	Information available	Source
Austria	<ul style="list-style-type: none"> 8% of companies with <50 employees have a works council vs. 14% general average (2004): <ul style="list-style-type: none"> 5–10 employees: 3% of companies 11–19 employees: 6% of companies 20–49 employees: 27% of companies 	Estimates from the Austrian Trade Union Federation (ÖGB) from 2004 (cf. Hermann/Flecker 2006).
Belgium	<ul style="list-style-type: none"> 21% of employees in companies 21–50 employees are represented by a Committee for Prevention and Well-Being at Work (CPBW-CPPT) vs. 60% of general average (2012) 	Study on the labour market, Randstad, 2012.
Cyprus	<ul style="list-style-type: none"> More than 90% of all micro and small companies have no representation structure In the other 10% the only form of representation is linked to OSH legislation. 	Estimates of the General Confederation of Small Businessmen's and Retailers' Unions (POVEK). (No information available about dates)
Czech Republic	<ul style="list-style-type: none"> 753 employers with up to 50 employees where the trade unions operate (14% out of a total of 5,356 companies of any size) (2012) 563 company-level collective agreements concluded by employers with up to 50 employees (12% over a total of 4,655 companies of any size) (2012) 	Data from the Czech-Moravian Confederation of Trade Unions (ČMKOS, 2013); it refers to its member organisations only.
Denmark	<ul style="list-style-type: none"> Micro and small companies with a collective agreement (2010): <ul style="list-style-type: none"> 5–9 employees: 67% 10–19 employees: 74% 20–49 employees: 82% <p>(Whereas companies with 50–99 employees: 91%)</p>	Larsen et al, 2010; published by LO (Danish Confederation of Trade Unions).
Estonia	<ul style="list-style-type: none"> % of companies with employees' trustee (2009): <ul style="list-style-type: none"> 5–9 employees: 2.3% 0–49 employees: 19% % of companies with work environment representative (2009): <ul style="list-style-type: none"> 5–9 employees: 31.3% 10–49 employees: 57.3% % of companies with collective agreement (2009): <ul style="list-style-type: none"> 5–9 employees: 2.9% 10–49 employees: 6.4% 	Work Life Survey (WLS), Statistics Estonia, 2009
France	<ul style="list-style-type: none"> % of establishments with at least one employee representation body ('employee delegates' or 'shop steward') (these results include structures belonging to larger companies/structures) (2010–2011): <ul style="list-style-type: none"> 11–19 employees: 37% 20–49 employees: 65% % of independent establishments with at least one employee representation body (2010–2011): <ul style="list-style-type: none"> 11–19 employees: 29% (in contrast to 37%) 20–49 employees: 58% (in contrast to 65%) Among the establishments with no elected information and consultation body (2010–2011): <ul style="list-style-type: none"> 63% have 11–19 employees 35% have 20–49 employees 6% have 50 employees or more 	DARES (Ministerial statistical office for Labour and Employment), REPONSE survey, 2009–2010.
Germany	<ul style="list-style-type: none"> Share of establishments in Germany covered by a sector-level collective agreement (2011): <ul style="list-style-type: none"> 1–9 employees: western Germany: 25%, eastern Germany: 13% 10–49 employees: western: 43%, eastern: 27% Average: western: 32%; eastern: 18% Share of establishments in Germany covered by a company-level agreement (2011): <ul style="list-style-type: none"> 1–9 employees: western: 1%, eastern: 2% 10–49 employees: western: 3%, eastern: 6% Average: western: 2%; eastern: 3% 	IAB Establishment Panel 2011 as quoted by Ellguth and Kohaut (2012)

Social dialogue in micro and small companies

Country	Information available	Source
Germany (cont'd)	<ul style="list-style-type: none"> • % of establishments with a works council (2011): <ul style="list-style-type: none"> • 5–50 empl.: western: 6%, eastern: 6% • Average: western: 10%; eastern: 9% • % of employees covered by a works council (2011): <ul style="list-style-type: none"> • 5–50 empl.: western: 10%, eastern: 11% • Average: western: 44%; eastern: 36% 	IAB Establishment Panel 2011 as quoted by Ellguth and Kohaut (2012)
Italy	<ul style="list-style-type: none"> • Among the firms with 20–49 employees in the private sector (2013): <ul style="list-style-type: none"> • 60% have union members among their employees • almost 30% have a trade union representation structure • firm-level collective bargaining is present in 17% of them 	Bordogna and Pedersini, 2013.
Latvia	<ul style="list-style-type: none"> • Authorised employee representatives were in 6.4% of micro enterprises, and in 19.5% of small enterprises (2010). • Trade union representatives were in 0.1% of micro enterprises, and in 8.8% of small enterprises (2010). • Employee' trustees were in 4% of micro enterprises, and 20.2% of small enterprises (2010). 	LDDK (Employers' Confederation of Latvia), survey on Working conditions and risks, 2010.
Luxembourg	<ul style="list-style-type: none"> • The coverage of the employees in small enterprises (10 to 49) is 30% (much lower than e.g. the coverage in large enterprises with more than 1,000 employees, which is 79%) (2010). 	Statec 2012, 'Salaires, emploi et conditions de travail. Premiers résultats de l'enquête sur la structure des salaires de 2010', Bulletin de STATEC.
Malta	<ul style="list-style-type: none"> • 14% of enterprises reported the existence of some form of institutional representation, covering 32% of workers (2009). • Coverage is 3% in companies with 10 to 19 employees, and 12% in companies with 20 to 49 employees (2009). • 70.6% of micro and 43.2% of small enterprises did not have a designated individual responsible for OSH. Additionally 90.5% and 71.5% of micro and small enterprises did not appoint a workers' OSH representative (2011). 	EFILWC, 2011; and OHSa (Occupational Health and Safety Authority of Malta), 2011.
Netherlands	<ul style="list-style-type: none"> • % of companies with 10–49 employees (2011): <ul style="list-style-type: none"> • 16% have a works council (compared to 71% in organisations with more than 50 employees) • 12% have a mini-works council • 53% organise personnel meetings • 9% have no social dialogue at all 	Ministry of Social Affairs and Employment, 'Compliance with the Works Council Act', 2011.
Norway	<ul style="list-style-type: none"> • % of companies where employee representatives are found at the Board Representation (2010): <ul style="list-style-type: none"> • 12% of companies with 1–9 employees • 17% of companies with 10–19 • 30% of companies with 20–30 employees • % of employees who confirm that one (or more) trade union representatives are present at the workforce: <ul style="list-style-type: none"> • 45% of employees in micro companies • 79% of employees in small companies • % of employees who indicate that they are themselves a member of a trade union: <ul style="list-style-type: none"> • 37% of the employees in micro companies • 56% of the employees in small companies • % of employees who are in a workplace where there is a safety representative: <ul style="list-style-type: none"> • 54% of the employees in micro companies • 86% of the employees in small companies • % of employees who are in a workplace where a working environment committee is established: <ul style="list-style-type: none"> • 37% of the employees in the micro companies • 61% of the employees in small companies 	Hagen, Inger Marie; Fafo Report, 2010; and Statistics Norway& FAFO, 2009.

Country	Information available	Source
Poland	<ul style="list-style-type: none"> Trade union membership is declared by 7% of employees in companies which employ up to 50 people (13% for medium-sized companies and 26% for large companies) (2012). 10% of micro and small companies say that there is a trade union operating in their company (52% in medium-sized companies and 68% in large companies) (2012). 	Public Opinion Research Center, CBOS, 2012.
Portugal	<ul style="list-style-type: none"> Research in industrial relations in Portugal has demonstrated that the density of employee representatives (works councils and shop stewards) in larger companies is considerably higher than in small ones. It is presumed that less than 1.0% of the micro and small companies have a shop steward. 	Rough estimates based on the CGTP-IN trade union federation Report to the Congress, 2012.
Romania	<ul style="list-style-type: none"> In 94.6% of all active companies, which offer a work place to 31.5% of total employment, and where the number of employees ranges from 0 to 19 persons, there is no, or hardly any, coverage of these workers by institutionalised forms of social dialogue. 	National Institute of Statistics (Institutul Național de Statistică, INS), 2010.
Slovakia	<ul style="list-style-type: none"> Trade unions were present in 0.8% of surveyed micro companies and in 25.2% of small companies. Employee trustees were elected in 4.0% of surveyed micro companies and in 43.5% of small companies. 	Information System on Working Conditions (ISPP) sample survey, 2012.
Slovenia	<ul style="list-style-type: none"> Less than 10% of micro and small companies have company collective agreement. 	Estimates provided by a representative of ZSSS (Association of Free Trade Unions of Slovenia).
Spain	<ul style="list-style-type: none"> % of employees who have a collective bargaining structure (2010): <ul style="list-style-type: none"> 2–9 employees: 32% 10–49 employees: 58% % of employees who have a prevention delegate (2011): <ul style="list-style-type: none"> 1–10 employees: 40% 11–49 employees: 56% 	Survey on Quality of Life in the Workplace (ECTV), by the Spanish Ministry of Employment and Social Security, 2010; and National Survey on Working Conditions (ENCT), by the National Institute of Safety and Health in the workplace, 2011.
Sweden	<ul style="list-style-type: none"> In companies with 1–49 employees, 60% of the companies did not have collective agreements or application agreements (in any case, agreements were more common among companies with more than 5 employees) (2010). 	Företagarna employers' organisation, 2010.
United Kingdom	<ul style="list-style-type: none"> 10% of small and medium firms had a joint consultative committee compared with 62% of larger firms. Of firms with fewer than 50 workers, 10% had some form of union representation or joint consultative arrangement. 	WERS, 2004

Source: *Own elaboration on the basis of the Eurofound NEO correspondents' contributions 2013.*

Overview of interviews

Bulgaria

Interviews were carried out in the context of the case study analysis with the following company-based actors and social partner representatives:

- The Deputy General Manager and the Chair of the trade union organisation at Belinvest-Tryavna
- The Human Resource Manager at Air Liquide Bulgaria, responsible also for the Air Liquide-Pernik as well as the Chairman of the trade union organisation in Air Liquide-Pernik, belonging to the 'Metalicy' Trade Union Federation of the Confederation of Independent Trade Unions of Bulgaria, CITUB

The national analysis was done in close cooperation with a senior researcher of the Institute for Trade Union and Social Research (ISTUR), a non-governmental research organisation at the Confederation of the Independent Trade Unions in Bulgaria.

Denmark

Interviews were carried out with the managing director, the production manager, the shop steward spokesman and head of the cooperation committee at:

- A/S Wodschow & Co, Broendby/Copenhagen.

A Senior Consultant from the Danish Metalworkers Union (Dansk Metal) also took part in the interviews and the company visit.

The company was suggested as a case of good practice by the trade union organisation CO-industri, where interviews were carried out with the Deputy General secretary, the Head of the Cooperation Department, a Senior Cooperation Consultant and the Head of the OHS/Working Environment Department.

In the context of the second Danish case study on the construction sector no interviews with company-based actors were carried out. Information was gathered in the context of a visit at the Federation of Building, Construction and Wood Workers' Union (BAT-kartellet) and interviews with the Policy Advisor responsible for OHS and Workers Participation and a Senior Economic and Political Consultant at the organisation.

Interviews with representatives of Danish employers' organisations were carried out with the Director of Director Occupational Health and Safety and a Senior Consultant responsible for the joint TekSam office at the Confederation of Danish Industry (DI).

Germany

Interviews were carried out with owners and senior employees in the context of field visits at the following companies:

- Bäckerei Redder, Anröchte
- Bäckerei Wietfeld, Lippstadt
- Hans-Dieter Büschkes GmbH & Co. KG, Euskirchen

In addition, interviews with managing directors, head of departments and trade union officers were carried out at the following employers' organisations, trade unions and chambers:

- Zentralverband des Deutschen Dachdeckergerwerbes, Cologne
- Zentralverband des Deutschen Bäckereihandwerks, Berlin
- Deutscher Gewerkschaftsbund, DGB, Berlin
- Gewerkschaft Nahrung, Genuss, Gaststätten, NGG, Düsseldorf
- Kreishandwerkerschaft und Berufsbildungszentrum Hellweg-Lippe, Soest

Italy

Interviews were carried out with owners and senior employees in the context of field visits at the following companies:

- Cadamuro Impianti srl, Brusnengo
- Baldan 88 srl, Fiesso d'Artico

These case studies were complemented with interviews with officers at the following employers' organisations and trade unions:

- Confederazione Italiana Sindacati Lavoratori, CISL Biella
- Confederazione Nazionale dell'Artigianato, CNA Biella
- Confartigianato, Torino
- Associazione Calzaturieri Riviera del Brenta, ACRIB Stra
- Federazione Italiana dei Lavoratori Chimici, Tessili, Energia e Manifatture, Filctem-Cgil Veneto, Venezia-Mestre

The national analysis also benefited from the following interviews with social partners' representatives:

- Confartigianato Imprese, Roma
- Confederazione Italiana Generale per il Lavoro, CGIL, Roma

Spain

Interviews were carried out with owners and senior employees in the context of field visits at the following companies:

- TTT Goiko S.A., Zumarraga
- Acusmed, Avilés

In addition, interviews with managing directors, head of departments and trade union officers were carried out at the following employers' organisations, trade unions and chambers:

- FADE Federación Asturiana de Empresarios, Avilés
- Comisiones Obreras, Madrid
- Unión General de Trabajadores, Madrid

