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***and Similar Institutions***

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**NOTE ON SOCIAL DIALOGUE IN PORTUGAL**

1 SOCIAL DIALOGUE IN PORTUGAL

INTRODUCTION

The following text delves into the history, organic, operations and practices of social dialogue in Portugal.

HISTORY

Social dialogue and social concertation have been institutionalized in Portugal since 1984, as it was in that same year that the Social Concertation Standing Council was created by law.

The creation of the Social Concertation Standing Council was dictated by the grave social and economic situation that the country endured at the time. Also as Portugal joined the European Community in 1986 important transformations occurred in certain decision-making processes. This included the need to guarantee adequate national representation, through trade unions and employers’ confederations, in the European Economic and Social Committee – thus giving a new dimension and importance to the social partners.

During the time in which the Social Concertation Standing Council was in place, three agreements were reached:

- In 1986 and 1988, Income Policy Agreements; and

- In 1990, a Social and Economic Agreement, which was of the utmost importance given the issues it covered, which included income and pricing policy as well as various economic and social policies (e.g., social security, pre-retirement planning, hygiene, workplace health and safety, education and vocational training, child labour, home based work, and collective labour relations).

The Social Concertation Standing Council would then be extinguished in 1991 with the creation of the Economic and Social Council (CES), of which the Social Concertation Standing Commission (CPCS) is an integral part of.

PARTICIPANTS

The CPCS has a tripartite organization, and in it are seated 4 Government representatives, 4 representatives from the trade unions – 2 belonging to the General Confederation of Portuguese Workers - National Inter-Union (CGTP-IN), and 2 from the General Union of Workers (UGT) – and 4 representatives from the employers’ confederations – the Confederation of Portuguese Farmers (CAP), the Portuguese Commerce and Services Confederation (CCP), the Confederation of Portuguese Business (CIP) and the Confederation of Portuguese Tourism (CTP).

The Prime Minister is responsible for presiding over the CPCS.

PROCESS

The main attributions of the Commission are:

- Promoting dialogue and tripartite concertation;

- Contributing to the regulation of labour relations and the definition of policies regarding income and pricing, employment, vocational training and social protection.

It is now worth mentioning two very important ways in which these attributions are materialized:

- The assessment of labour legislation projects – some of the most important labour reforms have been drawn within the framework of the Commission; and

- The Social Concertation Agreements.

Even though social concertation is not limited to the signing of agreements, these are of the utmost importance, as they constitute veritable social pacts, based as they are on the autonomy of the contracting parties. These agreements, despite not being legally binding, constitute the embodiment of certain objectives, rights and obligations on the part of their signatories, and especially on the part of the Government that in this way commits itself to adopting the public policies and legal measures necessary for their accomplishment. To this day, 22 agreements have been signed, and of these 2 were reached without the Government:

- In 2005, an agreement was signed regarding collective bargaining; and

- In 2006, an agreement on vocational training.

As an example, the following are the last two agreements that were signed by both the Government and the social partners:

- In 2012, in the context of full fiscal consolidation, due to the programme that Portugal was subject to at the time, an agreement was signed, “Commitment for growth, competitiveness and employment”, which foresaw the implementation of measures in three areas: economic policies; active labour market policies and vocational training; labour laws, unemployment benefits and labour relations. What follows from the introduction is that the agreement constitutes “(…)a package of measures that will tend to reinforce the economic growth potential and the creation of jobs, in the medium and long terms”.

- In 2014, an agreement was signed “Concerning the update of the Guaranteed Monthly Minimum Wage, Competitiveness and Employment Promotion”, under which the Government committed itself to creating a legislative proposal to increase the minimum wage to €505, as of 1 October 2014, a figure that would then remain until December 2015; furthermore, a measure would be instituted to encourage the creation of jobs, i.e., the decrease of 0.75 pp of Social Single Tax, for a period of 15 months.

2 THE ECONOMIC AND SOCIAL COUNCIL:

INTRODUCTION

The CES is a constitutional body that was created in 1991.

The CES has two types of responsibilities that are attributed to it by the Constitution and the law: one is consultative, which consists in the drafting of opinions, requested either by the Government or the Parliament, or issued upon its own initiative; and the other one pertains to social concertation, as it aims to promote dialogue and negotiations between the social partners.

Given its composition, the CES is an institution that represents the various interests of Portuguese society and, in so doing, proves to be a valuable aid to the country’s organs of sovereignty. This type of representativity is of extreme importance as the opinions emitted should not, in principle, reflect specific or sectorial interests, but should instead correspond to a compromise between the multiple interests represented in the Council.

HISTORY

The CES inherited the attributions of the now extinct National Planning Council – whose mission was to issue an opinion on the “Major Options” document, as well as its execution, and on the evolution of the social and economic situation and major economic policies – and of the aforementioned Social Concertation Standing Council.

STRUCTURE

The CES embodies the following organisms: the President, the Plenary, the Social Concertation Standing Council, the Specialised Standing Committee on Social and Economic Policy, the Specialised Standing Committee for Regional Development and Land Planning. Also a part of the CES are its Coordinating and Administrative Boards.

The President of the CES is appointed by the Parliament, with a two thirds majority, its mandate corresponding to the legislative period of the latter and being renewable without limitations.

The Plenary consists of 66 members that represent the following groups: Government, Employers; Workers; Representatives of Regional and Local Government; Sundry Interests (ex.: Environmental associations, Private social welfare organizations, Universities, etc.); and individuals of renowned merit.

The Coordinating Board comprises the President of the CES, four Vice-Presidents and the two Presidents of the Specialised Committees, and its duties are to assist the President in the exercise of his functions.

WORK

The President of the CES represents the Council at a national and international level, and also coordinates and presides over the Plenary, the Coordinating Board and the Administrative Board. The President may also participate in meetings of the Specialised Committees and the Social Concertation Standing Committee, without, however, being able to vote.

The Plenary is responsible for expressing the position of the CES, in its consultative capacity, by voting both on the Opinions that are requested – as is the case with the proposals regarding the “Major Options” document, the State Budget Draft, the Budgetary Strategy document and the State Budget Execution – and those that are of its own initiative. The Plenary meets several times per year in ordinary session but it can meet extraordinarily upon initiative of the President or if 1/5 of members in office so request.

The Plenary meetings are open to the public, unless the CES is deliberating at the request of the organs of sovereignty. As a rule, the Opinion proposals are approved by a majority of the votes, but in the case of a tie the President can cast the deciding vote.

The Specialized Committees are composed of 4 representatives from the Government, 4 from the employers' confederations, 4 from the trade union confederations, 4 from local government, a representative from each of the Autonomous regions and one representative from each of the other sectors represented at the CES – there still being the possibility of one or two individuals of renowned merit taking part as well.

These Committees are headed by a President, assisted by two Vice-Presidents to be elected from among its members at the first meeting after its formation.

These meetings do not follow a fixed schedule; they are scheduled upon the initiative of their own president or following a request by a third of its members in office. It is at the Specialised Committee level that the Opinions which will be submitted to the Plenary are prepared, and Working Groups can be created with that in mind.

3 THE FUTURE OF THE SOCIAL DIALOGUE IN THE COUNTRY

The existence of social and economic councils, as institutions where participatory democracy is exercised, through dialogue and concertation, is of great importance.

Social dialogue has great relevance given the complexity of today’s problems and the social fragmentation that we are witnessing in our society. Dialogue in a context of crisis, as the one Portugal has been enduring, allows for a better understanding of the situation at hand and leads to the moderation of potential conflicts. Workers, employers and all sectors of society will have a lot to gain when they are able to obtain consensual solutions to their problems, and that is what social concertation is at its core.