



# **European Guidelines on Social Dialogue for Sustainable Construction**

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## PREMISE

It is necessary to strengthen social dialogue in the construction sector in order to address the economic, social and environmental challenges arising from the transition to a sustainable economy.

Dialogue between the social partners can play a fundamental role in accompanying the reorganisation of production and managing the impact on employment and people's working and living conditions in the transformation to a low-carbon economy; contributing to promote growth based on the efficient use of natural resources, research and innovation in the field of new construction products and processes, as well as the creation of new jobs and the retraining of workers faced with new demands stemming from the ongoing changes, to combat poverty and social exclusion.

The aim of this document is to propose guidelines to help strengthen the role of social dialogue in support of the sustainable transformation of the construction sector at a European level, in the light of the great – but still not fully exploited – potential which social dialogue itself has as a form of governance of the transition to a low-carbon economy (ILO-ITUC, 2016; ETUC, 2017).

To this end, these guidelines are based on some key assumptions:

- **to strengthen the inclusive nature of social dialogue processes** which make it an important tool for the achievement of sustainable development goals, by promoting an enlarged, multistakeholder vision through the involvement of a wide range of players who are potentially the protagonists of social dialogue at national and European level: not only representative groups from the world of work, business and the public institutions, but also the world of experts, environmental organisations and civil society, taking into account, in addition to construction, other sectors and professions connected with the transition to a sustainable economy.

- **to encourage sharing, participation and cooperation** at national and European level between the partner countries in the project through the exchange of information, guidance and experience to ensure, throughout the entire planning process, **reciprocal learning and the dissemination** of successful models and best practices relating to the social dialogue processes in favour of sustainable development in construction.

- **to develop guidelines and suggestions for strengthening social dialogue at national and European level through the direct involvement and collaboration of the players involved in**

**social dialogue** so that in each partner country in the project they have been listened to and invited to participate actively in the development of the guidelines.

In the light of the above objectives, the creation of European guidelines for strengthening the role of social dialogue in favour of sustainable construction has been based on a path articulated in specific workshops at national and European level that have enabled the exchange of knowledge, and the dissemination and creation of synergies prior to the drawing-up of guidelines. In addition to listening to the players involved regarding the current state of the development of social dialogue and what the obstacles are that need to be overcome and the levers required for its strengthening, participation in the workshops has also made it possible to strengthen the very practices of social dialogue, insofar as the workshops have been conceived as proper operational working groups on social dialogue, called on to share and provide precise guidance on the subject. Once national guidelines were identified on the basis of the specific features of each country involved in the project, the development of the European social dialogue guidelines was based on the comparison between the different experiences in different countries that have allowed a highlighting of convergences and divergences, strengths and weaknesses, and drivers and barriers to the development of a social dialogue for sustainable construction in Europe from the point of view of the experiences of the countries in the BROAD project.

These guidelines, therefore, represent a synthesis of the indications that have matured in the national contexts of the partner countries.

On account of the lack of substantial experience in this area in the construction sector, the proposed guidelines are a first attempt at strengthening the important role that social dialogue can have in the governance of the transition to a low-carbon economy, in an attempt to reduce the lack of information and knowledge that obscures the possibly fruitful link between sustainability and social dialogue.

The guidelines we present below are articulated in **preliminary assumptions**, that is, basic guidelines of a general nature, a **synthesis of the state of social dialogue in construction in the partner countries, conditions and drivers (key points)** for the strengthening of social dialogue at European level, and the **agenda** which describes the areas of priority intervention from the point of view of the national partners.

## 1. PRELIMINARY ASSUMPTIONS

Sustainable construction is considered a driver of the energy transition, whether as a **requirement** (for example, in terms of the climatic resilience of urban settlements or a reduction in climate-altering emissions), as well as an opportunity to recover from some of the negative effects of the 2008 crisis (for example, those regarding the reduction in employment and number of companies operating in the sector). From this perspective, construction is built around the three **pillars of sustainability** (economic, environmental and social) which are interrelated and of equal importance. Consequently, sustainable construction must be clearly defined in relation to these three dimensions, to be taken into account together, but also, in turn, to be aligned with one another within the **broader and more complex value chain** of the sector.

The path to sustainability for the construction industry is not an easy one. It is necessary to put in place a number of conditions in support of this process, relating to: the political will, a shared understanding, the adequacy of the skills and training of workers, the protection of working conditions, the availability of the necessary resources, an awareness on the part of civil society about what is at stake, and so on. In addition, the **consequences of the transition** (both expected and unexpected) as well as the resulting **risks** have to be identified and monitored (employment vs. digitalisation, workers' health and safety, effectiveness of communications, forms of obstructionism or lack of support because of knowledge gaps, etc).

All these processes and their consequences require a **multilevel governance** of substantial policies and measures in support of sustainable construction, the result of the agreement between all the relevant stakeholders and based on the adoption of a structural and integrated approach (since a linear input-output scheme is not suitable for dealing with their complexity and urgency).

In view of the above, the social partners, governments, environmental organisations and civil society, academia, and research and development institutions share the view that social dialogue – at European, national and local level – can **effectively support the transition to sustainability** in the construction sector **by monitoring its effects**, thanks to its ability to deal with multidimensional conditions, complicated dynamics and the impact of ongoing changes.

According to the ILO 2013, social dialogue includes "all types of negotiation, consultation and exchange of information between government representatives and social partners or between social partners around issues of common concern regarding social and economic policies". Therefore, by its very nature, social dialogue can intervene on the transition towards sustainability of construction both as an **instrument** and as a **form of governance**. In addition to

consolidating the accountability of the various players involved (for example, it is assumed that governments will provide feedback on the follow-up of the agreed measures and initiatives), through the **multistakeholder form** partners in social dialogue can **share their views and influence** the policies or measures that concern them, on the basis of clear and comprehensive shared **information and knowledge**.

## **2. SOCIAL DIALOGUE FOR SUSTAINABLE BUILDING IN THE COUNTRIES OF THE PROJECT**

The success of social dialogue largely depends on the **characteristics of the context** in which it is conducted. Beyond what is being implemented at European level, improvements in the transition towards sustainable construction also have to rely heavily on the specificities and strengths of **general industrial relations regimes** at national and cross-sectoral levels. As far as the construction sector is concerned, social dialogue is currently characterised by a high level of fragmentation, low trade union density and a highly polarised coverage of collective bargaining throughout the Member States (Eurofound 2015).

The state of social dialogue in the countries represented in BROAD appears to be differentiated. If the tripartite system is present in general, in all countries (albeit displaying a certain weakness in Poland), the field of sustainable construction shows **very substantial differences**. In Italy, Belgium and Spain, tripartite social dialogue sees **a very limited participation by the institutional component**, partially compensated for in Italy and Belgium at territorial level. An absence of relations with the government and the various levels of the PA is recorded above all in Spain where, nevertheless, the activities carried out between 2009 and 2011 by the Industrial Observatory of the construction sector represented an instance of efficacious tripartite social dialogue. In the three countries, the lack of involvement of the institutional component is accompanied by a **good interaction between the social partners** around sustainable construction. In Italy, for example, bilateral bodies for training, workplace safety and social protection are very strong (think of the widespread activity throughout the country of the Formedil building schools), as well as in Belgium, where the fund for professional training, Constructiv, has been established for many years by the Joint Industrial Committee on construction; in Spain too, the Fundacion Laboral, a joint industrial body promoted intersectorally (in fact it deals with the construction, wood and cement sectors), is currently being proposed as a successful model to be replicated in other areas.

The positions of Germany and Poland are very different with respect to the situation in the three countries described above. In fact, Germany has for many years had an **effective and consolidated system** of tripartite social dialogue on green building and sustainability, while in Poland, the institutions display **very little propensity to social dialogue**, and the social partners

too exhibit a **low level of awareness** about environmental issues in the economy and sustainable development. In this framework, the unions and employers in Poland seem to have little influence on the process of transition towards sustainable construction, especially at a national level. On the other hand, it is worth noting the joint initiative of the Construction Industry Sector Competences Council, which has been active since 2017, on vocational training, which will focus its attention on new qualifications, specialisations and construction techniques needed for sustainable construction. At the regional level, the problem of sustainable construction is taken into account by some Regional Development Strategies that negotiate and sign also trade unions and employers' organizations.

With regard to the extension of dialogue to other stakeholders, it needs to be underlined how both Italy and Germany show an **extended multistakeholder composition**. In the first case, for a number of years, environmental organisations and citizens' groups, professional orders, universities and experts have been involved with the social partners and institutions, which in fact have already created forms of social dialogue on sustainable construction at national level (such as, for example, through the establishment of the National Observatory for the Quality of Reconstruction in 2017, following the earthquakes in Central Italy in 2016), as well as, especially, locally. Germany has a long tradition of dialogue with the organisations of civil society (1998 saw the establishment of the Alliance for Jobs and the Environment promoted by the unions together with the Ministry of the Environment, Nature Conservation and Nuclear Safety BMU and environmental NGOs), also thanks to the presence of the green movement in politics.

Intersectorality also promotes dialogue between social partners and other stakeholders. In Spain, for example, the Bilateral Forum on the Integrated Construction Cycle was established in 2013, while in Belgium the players in the dialogue are involved in training activities through a wide range of joint bodies. In Poland as well the social partners share common initiatives based on intersectorality – national or European projects, such as Leonardo da Vinci and Erasmus+ – concerning vocational training for construction. In this regard, it should be stressed that today, in particular, it is the field of **vocational and continuing training** for construction workers which represents an opportunity for all the BROAD partner countries and, therefore, also an instrument for multistakeholder social dialogue on sustainable construction.

For further insights and the specifics of social dialogue on sustainable construction at national level (drivers and difficulties, tools, good practices and areas of intervention) please refer to the **national reports and guidelines** provided in this volume.

### 3. STRENGTHENING EUROPEAN SOCIAL DIALOGUE ON SUSTAINABLE CONSTRUCTION

#### 3.1. Conditions

In the light of the above and what emerged in the course of the comparisons and exchange of knowledge and experience among the BROAD partners, it is possible to identify, above all, some **essential conditions** for the implementation of European social dialogue on sustainable construction. These conditions concern:

- i)* a clear **assumption of responsibility** based on the will and the position of the various parties involved in the social dialogue;
- ii)* the **adequate, informed and continuous involvement of the social partners** at all stages of the processes of governance (definition, implementation, monitoring, evaluation and implementation of strategies);
- iii)* the sharing a **unequivocal conceptual framework** regarding sustainable construction (content, extension, intersectorality, etc);
- iv)* the establishment of a **tripartite institution** for social dialogue activities in the field of sustainable construction that guides and coordinates actions on European policies from consultation and dialogue between the various stakeholders (bottom-up approach) and not only on the basis of the issuing of European Directives (top-down);
- v)* the provision of the **resources necessary** for the implementation of social dialogue on sustainable construction (human, financial, technical, knowledge-related...).

#### 3.2. Key points

In addition to the conditions outlined above, a number of key points are indispensable to strengthen European social dialogue around sustainable building which, more specifically, concern:

- the consolidation of the **relationship between activities of information, consultation and negotiation** with the **decision-making** phase, to allow for the concrete implementation of the actions and measures established;
- the practice of a form of **extended (multistakeholder) social dialogue** that includes, in addition to the representatives of workers, employers and the institutions, experts



(academia, universities and research institutes), and environmental and citizens' organisations to make the most of relations between the European and national levels. In this framework, not only green building should be taken into account, but also the sectors and professions that can be traced back to the green economy in a horizontal perspective;

- the adoption of a **holistic and integrated approach** which, on the one hand, considers the **whole value chain** of the construction sector, the industrialisation process of the production cycle, the circular economy paradigm and the perspective of the life cycle of the product and process with ever-greater interaction between construction-regeneration-maintenance-services and, on the other hand, the **social dimension** associated with sustainable construction, often mentioned but, in fact, less practised;

- the assumption of a **cross-sectoral perspective** on sustainable construction (both at the level of impact on the entire economic system and the fragmentation of the various policies involved, ranging from interventions related to energy efficiency, social housing, urban regeneration, etc);

- the necessary consideration of the **effects connected to the introduction of technological innovations** in the production processes, design and construction of buildings, in the organisation of production and labour throughout the whole chain;

- the placing of **knowledge about sustainable construction** based on information sharing, consultation and negotiation by the parties involved, as a **precondition** for outlining directions and guidelines, on the one hand, and, on the other, making shared decisions (for provisional, management and evaluation purposes *ex post* of the measures and interventions initiated and tested; for re-orienting actions and policies from a perspective of maximising benefits compared to resources; for spreading positive practices – integrated approach, intersectoral perspective and life-cycle of the product and process, the introduction of elements of innovation and technical and social technologies; for disseminating information that affects citizens' behaviour, orientation and decisions on energy transition in the construction sector);

- the **enhancement of existing European instruments and resources** – such as, for example, the European Construction Sector Observatory (ECSO) established in 2016 or platforms such as the Covenant of Mayors for Climate and Energy for the Implementation of Sustainable Energy and Climate Action Plans (SECAPs) – or currently being trialled, such as the Handbook for the Introduction of Building Information

Modelling in the European Public Sector (2017), drafted recently by the EU BIM Task Group;

- the establishment of **committees, observatories, forums and working groups on specific themes** regarding sustainable construction, which may include, among others: energy and climate change; urbanisation, social housing and the security of the territory; research, innovation and relationships between business and academia; training and changes in the labour market; demographic trends and emerging new needs.

#### **4. THE AGENDA OF EUROPEAN SOCIAL DIALOGUE ON SUSTAINABLE CONSTRUCTION**

The **agenda** of European social dialogue on sustainable construction could be geared towards a number of relevant actions organised in **four areas** – as outlined in the following paragraphs – concerning policies and the regulatory framework, working conditions and new skills, technology, knowledge and innovation, and the cultural dimension.

##### **4.1. Policies and the regulatory framework**

Regarding policies and the regulatory framework, the action of the European social dialogue on sustainable construction could intervene in relation to:

- the formulation of a permanent, **institutionalised tripartite social dialogue model** that will enable the definition, co-ordination and monitoring of the initiatives to support sustainable construction (to promote – where absent – the establishment of permanent structures for social dialogue on sustainable construction at national and local level);

- the issuance of **European Directives providing for national interventions** on regulatory frameworks and incentive systems in support of sustainable construction;

- the inclusion in the European Works Councils (EWCs) and in International Framework Agreements (IFAs) of clauses on sustainable development and green building;

- the strengthening of **public investments** (governments and public bodies should be role models of large contractors);

- the definition of a **long-term strategy for the continuity of the financing of green building** and the renovation of old buildings, also in the context of social housing;

- the regulation of the **construction market** in order to establish competition between companies in the sector on the **quality of products, the type of use of construction materials and production processes** and not on the reduction of costs (e.g. by introducing more stringent environmental criteria in the definition of procurement procedures);
- the formulation of European strategies in support of sustainable construction capable of taking into account **economic and social specificities at national and local level**;
- the standardisation of building **certification** criteria to create a **common European framework** that is also capable of considering the environmental, hydro-geological and climatic features of the different countries;
- the **coherence of public policies** in the Member States on sustainable construction with respect to **urban planning, housing and land management policies**, also taking into account the needs of people and increasing their well-being in their living and working environment;
- the activation of **public-private partnership** mechanisms, facilitating the rules governing procurement and increasing attractiveness for investors;
- the provision of funding for **public research**;
- the development of **research and development** activities regarding products and processes, in order to improve competitiveness and commit to the adoption of sustainable construction models by extending the integrations relating to the chain of new materials and the "sensorialisation" of the built environment (interweaving with the evolution of domotics).

#### **4.2. Working conditions and new skills**

With respect to **working conditions** in sustainable construction, European social dialogue could address:

- the promotion of employment and organisational policies aimed at **respecting decent work** and **increasing the quality of work** (opposing illegal employment practices, prevention from the point of view of health and safety, job creation and environmentally friendly occupations, etc);
- the **impact on working conditions** due to transformations, the reorganisation of production chains, production processes and the introduction of new technologies;

- issues related to **migrant workers** and their full inclusion;
- the **lack of qualified workers** and, in the other direction, support for workers for the purposes of their **qualification, retraining and specialisation**;
- the definition and harmonisation of **professional profiles at a European level**.
- the definition of a **closer link between public incentives** (direct, indirect, fiscal) **and respect for national collective labour contracts** and regular NI contributions.

Actions regarding European social dialogue on skills and training could take into account:

- the integration of **sustainability Issues** and contents related to changes in the field of sustainable building (taking into account new technologies and digitalisation processes) in the curricula of vocational, continuing and tertiary (university and non-university) education relevant to the sector;
- the promotion of vocational and continuous training for both **high- and low-skilled professions** in sustainable construction, paying special attention to the inclusion of **young people and women**.

#### **4.3. Technology, knowledge and innovation**

With regard to access to and the circulation of **knowledge**, the introduction of **innovations** and new **technical and social technologies** in the sector, the agenda of the European social dialogue on sustainable construction could involve:

- the exchange of knowledge on the challenges and needs arising from the adaptation of the construction sector to the sustainable economy, in order to achieve a **shared understanding** among the stakeholders of the various MS;
- the training of **decision-makers and stakeholders** in the sector;
- the dissemination of information on green building measures and the means of integration and cooperation between the **various professional categories** operating on sites to ensure the quality and effectiveness of the sector;
- the dissemination of **good social dialogue practices**, taking into account the **formal and informal national networks** already existing in some countries, as well as the practices relating to the best interventions on zero-impact building, the introduction

of innovations based on the adoption of an integrated approach in the production cycle and so on;

- support for the creation or consolidation of **relations between academia, businesses and trade unions**, together with the establishment of **international academic networks**.

#### **4.4. The cultural dimension**

The **cultural dimension** is a further area of action for European social dialogue insofar as it constitutes the broader context in which the transition towards sustainability in construction is taking place. Actions in this area could relate to:

- the determination of interventions intended to **foster the cultural change** needed to transform sustainable constructions into a real need in European society;
- the **dissemination of information** on sustainable building between citizens and businesses (opportunities and benefits, incentives, constraints and procedures, etc), including through the opening of **public offices and/or helpdesks**; also run by the same players involved in the social dialogue;
- the call to assuming **responsibility regarding costs** (often unrecorded) relating to health and environmental problems that arise from the **unsustainable behaviour** of the players directly responsible for the construction industry and which have an impact on the health conditions of all citizens (the healthiness of environments, noise, risk in natural disasters, etc).