KEY FEATURES OF NATIONAL SOCIAL DIALOGUE: A SOCIAL DIALOGUE RESOURCE BOOK

Junko Ishikawa
InFocus Programme on Social Dialogue, Labour Law and Labour Administration

International Labour Office - Geneva
November, 2003
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I would like to thank Patricia O’Donovan, Director and Giuseppe Casale, Deputy Director of the InFocus Programme on Social Dialogue, Labour Law and Labour Administration (IFP/DIALOGUE) who, throughout the process, encouraged me to work on this resource book and commented in detail on its draft version. I would also like to thank my colleagues in IFP/DIALOGUE, and in particular the Social Dialogue Team members and team leader, Shauna Olney, for their comments. I would like to express my special thanks to Marleen Rueda-Catry and Georges Minet who helped greatly in improving the draft by directing me to examples of social dialogue in Spanish and French speaking countries.

Sole responsibility for the opinions expressed in this text lies with the author.

November 2003

Junko Ishikawa

IFP/DIALOGUE
INTRODUCTION

Social dialogue at the national level refers to the cooperation between social partners, i.e. workers’ and employers’ organizations, with the Government. It can address a wide range of issues from labour relations to wider social and economic challenges. The Government may be a full partner in the dialogue or may play the role of facilitator.

Strengthening tripartism and social dialogue is one of the four strategic objectives of the ILO. Tripartism and social dialogue is one of the founding principles of the ILO reflected in the Declaration of Philadelphia. Tripartite social dialogue is practised by the ILO at the international level through the International Labour Conference and its Governing Body. The issue of tripartism and social dialogue was discussed at the International Labour Conference in 1996 during the general discussion on Tripartite Consultation at the National Level on Economic and Social Policy and again in 2002 when a Resolution on Tripartism and Social Dialogue was adopted.

Social dialogue at the national level has become an important component of good governance in many countries. Tripartite social dialogue in economic and social policy-making has a fundamental role to play in furthering democracy, social justice and a productive and competitive economy. The association of all three parties concerned in the design and implementation of economic and social policies facilitates consensus building with a balance between the demands of economic development and social cohesion. It also provides the best possible scenario for the effective and sustainable implementation of the policies concerned, minimising the risk of industrial and social conflict.

Economic prosperity, stability, and social progress cannot be achieved by governments, employers or workers acting alone. Social dialogue provides social partners and other stakeholders with the opportunity to participate in deciding their future. The aim of this participation and cooperation is to facilitate agreements on a socially acceptable combination of wealth creation, economic and social progress, social security, stability and equity.

Social dialogue is regarded primarily as a means aimed at achieving these goals. It is an effective tool for solving collective challenges by creating the structure and environment suitable for more efficient problem-solving. In other words, it is about facilitating constructive interaction in order to arrive at social consensus/compromise among the stakeholders in a society.

The objective of this resource book is to introduce concepts of social dialogue and enabling conditions for social dialogue to work effectively and to demonstrate positive features of social dialogue with empirical examples. Though social dialogue takes place at several levels, such as the international, national, regional, sectoral and enterprise levels, this book focuses on social dialogue at the national level. However, the information given in this book can also be applied to social dialogue at provincial, regional or state level, especially for countries with a federal structure.

This resource book has several sections. Chapter 1 will begin with a definition of social dialogue, clarifying the concept and which actors are involved. It also introduces the different roles that the ILO plays in promoting national social dialogue. Chapter 2 will set out the basic enabling conditions for constructive social dialogue, and points out some pitfalls to be avoided in order to arrive at meaningful results. Chapter 3 will present a typology of social dialogue, and will attempt a classification of different types of social dialogue along the lines of representation and issues discussed. It then moves on to explain different institutional arrangements which social dialogue takes place. National fora for discussing wider economic and social policy issues are discussed in more detail. Chapter 4 will clarify what social dialogue can deliver by examining the benefits of social dialogue. Benefits relating to processes and results of social dialogue are explained and illustrated with country examples. The book concludes with policy recommendations for Government, employers’ and workers’ organizations when seeking to attain meaningful social dialogue.

This is a resource book for practitioners and is primarily aimed at providing analytical background knowledge and making the case for social dialogue in plain, concrete terms, with practical examples to illustrate its points. It is, however, important to keep in mind that social dialogue arrangements and processes are not necessarily transferable across different societies. What worked well in one country may not work well in other countries due to differences in their industrial relations systems, traditions and structural endowments. However, one can still learn from successful attempts in other countries. This resource book is aimed at helping countries to build their own national model of social dialogue by identifying and presenting some of the main attributes which contribute to successful social dialogue.

1. It stipulates that the ILO has “the solemn obligation… to further… programmes which will achieve… the collaboration of workers and employers in the preparation of social and economic measures” (paragraph III). The Declaration of Philadelphia, adopted in 1944, is part of the ILO Constitution.

2. Stakeholders are those who have stakes/interests in matters discussed in national social dialogue. They are primarily workers’ and employers’ organizations but for wider social issues, other groups of concerned citizens (often referred to as “civil society” or “NGOs”) may be included as stakeholders.

3. Note that the examples of the countries are not exhaustive; they are used to demonstrate a range of different practices of social dialogue.
CHAPTER 1: WHAT IS SOCIAL DIALOGUE?

Definition of social dialogue

There is no universally agreed definition of social dialogue. There are, indeed, wide-ranging differences in the use of the term “social dialogue”. Let us start with the ILO definition and then move on to an explanation of other usages of the term.

ILO working definition

The ILO has a broad working definition of social dialogue, reflecting the wide range of processes and practices which are found in different countries. Its working definition includes all types of negotiation, consultation or simply exchange of information between representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. The ILO recognises that the definition and the concept of social dialogue varies from country to country and over time. Figure 1.1 below illustrates the relationship among the different notions.

Figure 1.1 Social dialogue triangle

Exchange of information is the most basic process of social dialogue. It implies no real discussion or action on the issues concerned, but it is an essential starting point towards more substantive social dialogue. Consultation is a means by which the social partners not only share information, but also engage in more in-depth dialogue about issues raised. While consultation itself does not carry with it decision-making power, it can take place as part of such a process. Collective bargaining and policy concertation can be interpreted as the two dominant types of negotiation. Collective bargaining is one of the most widespread forms of social dialogue and is institutionalised in many countries. It consists of negotiations between an employer, a group of employers or employers’ representatives and workers’ representatives to determine the issues related to wages and conditions of employment. Successful collective bargaining results in collective agreements. Collective bargaining can be centralised at national level or decentralised at sectoral, regional, enterprise or bargaining unit level. It can be regarded as a useful indicator of the capacity for social dialogue within a country to engage in national level tripartite policy concertation. Policy concertation is defined as “the codetermination of public policy by governments, employers' organizations and trade union confederations”. Tripartite policy concertation or “social concertation” can be regarded as the “full bloom” of social dialogue whereby “employers’, workers’ representatives and governments have developed a reflex for acting in a concerted multifaceted manner to address all major national economic and social policy issues by seeking consensus” (Trebilcock, 1994: 4). However, this is only possible when the Government fully recognises the legitimacy and constructive functions of social partners’ participating in national policy-making. The results of successful tripartite policy concertation are sometimes manifested in social pacts.

Any of these forms of social dialogue can be informal and ad hoc or formal and institutionalised. However, in reality social dialogue often takes place as a combination of the two. Informal processes are often as important as formal ones. Social dialogue exists as a tripartite process with the Government as an official party to the dialogue or in only bipartite direct relations between labour and management with or without indirect involvement of government. It can take place at the national, regional, sectoral or at enterprise level. It can be inter-professional, sectoral or a combination of all these.

4 Taken from paragraph 114 of ILO (1999).
5 Taken from http://www.ilo.org/public/english/dialogue/ifpdial/sd/index.htm
6 The definition of concertation differs depending on scholars, or from country to country. For example, Visser (2001) uses policy concertation and social dialogue interchangeably and defines it primarily as a platform for setting out a common understanding of the status quo. Hermamdez Alvarez (1994) gives it a wider definition as the process of moving towards consensus through dialogue among the social partners. The term “concertation” in English-speaking countries is usually regarded as identical to cooperation or participation, whereas in France and Italy it is regarded as decision-making through consensus.
7 It should be noted that successful tripartite concertation results in agreements, which can be internal notes or widely publicised social pacts.
**Other definitions**

A narrow definition was suggested by Visser (2001: 184), who clearly differentiated social dialogue from collective bargaining. According to him, social dialogue “is not the same as bargaining, but provides a setting for more efficient bargaining by helping to separate bargaining over ‘the state of the world’ from bargaining over the division of costs and benefits.” In other words, social dialogue is an initial stage of finding a common understanding or framework of reference by “separating the digestion of facts, problems and possible solutions”, which may lead to collective bargaining where social partners engage in negotiation of their positions. His definition was endorsed by the European Union High Level Group on Industrial Relations, which defined social dialogue as “a process, in which actors inform each other of their intentions and capacities, elaborate information provided to them, and clarify and explain their assumptions.”

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**Box 1.1. An example of regional social dialogue: “European social dialogue” in practice**

The European Union has established a structured system of social dialogue among the European Commission, Council, European trade unions’ and employers’ representatives. European social dialogue covers both consultation and negotiation on European social policy. Articles 138 and 139 of the Treaty of the European Union stipulate the Commission’s obligation to consult “management and labour at Community level” in the social policy field. Article 139 also stipulates that the dialogue of social partners at Community level “may lead to contractual relations, including agreements.” Such “agreements concluded at Community level shall be implemented either in accordance with the procedures and practices specific to management and labour and the Member States, or… at the joint request of the signatory parties by a Council decision on a proposal from the Commission”. Once the social dialogue process is initiated, social partners negotiate agreements independently for not more than nine months unless social partners and the Commission decide jointly to extend this period. When negotiation does not result in agreement after such a process, the Community institutions can intervene and try to overcome the deadlock by suggesting a settlement. As of 2003, European negotiations have resulted in four agreements: parental leave (December 1996), part-time work (June 1997), fixed-term contracts (March 1999) and telework (May 2002).

For other policy areas, the social partners’ involvement is mostly limited to consultation. Social partners have been involved in the Community’s political processes as members of the Tripartite Social Summit for Growth and Employment. Within the framework of this Social Summit, there are three fora of dialogue: macro economy, employment and social protection. Informal and confidential “macroeconomic dialogue” was established after the Cologne European Council for representatives of the Commission, the Council, the European Central Bank and the social partners to exchange their views on economic and monetary policy. Dialogue on employment exists at both the technical level (the Employment Committee) and the political level on all aspects of the European employment strategy. Dialogue on social protection is promoted in conjunction with the Social Protection Committee. The Tripartite Social Summit for Growth and Employment aims at boosting the involvement of the social partners and promoting an integrated discussion on economic and social policy issues. The membership of the Social Summit consists of the Council Presidency and the two subsequent Presidencies, the Commission and social partners represented at the highest level.

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1 Article 138 (1)
2 Article 139 (1)
3 Article 139 (2)
4 This happened after the social partners failed to agree on temporary (agency) work in May 2001.
5 For more details, see European Commission (2002b)
6 The Council’s decision on 6 March 2003 (2003/174/EC) established a Tripartite Social Summit for Growth and Employment, replacing the Standing Committee on Employment.
7 For more details, see European Commission (2002b)

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9 Visser was one of the 10 members of the High Level Group.
Actors in social dialogue at national level

Social dialogue, that is all types of negotiation, consultation or information-sharing among actors from different segments of society, increases support for and the legitimacy of the policies agreed. Traditionally, the actors involved in social dialogue have been the social partners, representatives from employers’ and workers’ organizations, with or without the involvement of the Government. This is because social dialogue has its origins in issues related to the world of work: workers’ rights and conditions related to production have been the dominant themes of dialogue between employers and employees, with the Government coming in as facilitator, mediator, regulator and law enforcer.

The core actors in social dialogue at national level are the social partners and the Government. Bipartite social dialogue refers to dialogue between the social partners and tripartite social dialogue refers to that among the social partners and the Government. In some European countries with a social democratic tradition, social partners were involved in consultation and concertation concerning broader social and economic issues for many years. Since the 1990s, social dialogue on wider issues has emerged in many other countries as a means of coping with economic crises, structural change in the economy, as well as regional integration. Participation of social partners in the process of public policy-making will add legitimacy to these policies in democratic societies. The depth and scope of social representation will enable workers’ and employers’ organizations to reflect broad views beyond their immediate workplace concerns when engaged in national social dialogue on wider economic and social issues.

Though social partners and the Government remain major players in national social dialogue, some countries have expanded the participation in social dialogue to other stakeholders in society. Social dialogue that includes traditional social partners, Government and other relevant parties is called tripartite plus social dialogue. In Ireland and South Africa, some representatives from civil society participate in the negotiation of social agreements. In Ireland, the number of negotiating partners in social pacts has increased with the negotiation of successive pacts. In South Africa, social dialogue emerged after the end of apartheid, with democratisation and the changing political regime. The struggle against apartheid meant that community interests were often highly structured into civil dialogue. Such representative structures continued to play an important role in social dialogue in South Africa in addition to employers’ and workers’ organizations. In other countries, such as Austria, Belgium, India and Spain, due to the importance of the agricultural sector in the economy, farmers have been involved in national social dialogue. Other forms of representation included the owners of small businesses and people engaged in crafts (Belgium and the Netherlands), representatives of cooperatives (Denmark and Portugal) as well as consumer groups (Denmark and Spain). However, NGOs are not necessarily involved in the negotiation process, though they may sign social agreements. In most countries, therefore, social partners and Government are the main partners participating in national social dialogue.

The role of Government

Governments play a critical role in the advancement and sustainability of national social dialogue. Where the Government has confidence in the tripartite consultation process and encourages the pro-active participation of social partners in policy-making processes, successful social dialogue is more likely to be attained. Government is responsible for promoting and enforcing the appropriate legal framework by ensuring social partners’ independence and fundamental rights, such as freedom of association and the right to bargain collectively as stipulated in the Freedom of Association and Protection of the Right to Organise.

11 In the case of the public sector, the Government is involved in bipartite social dialogue as the employer.
12 For details, see box 1.2.
13 Such community organizations include the Women’s National Coalition, the National Rural Development Forum, the South African Federal Council on Disability, the South African National Civic Organization and the South African Youth Council.
What is social dialogue?

organize Convention, 1948 (No. 87) and the Right to Organize and Collective Bargaining Convention, 1949 (No. 98).

Lécuyer (2001) sums up the role of Government as that of a promoter or protagonist. As a promoter, in addition to the protection of the fundamental rights described above, under ILO international labour standards governments are responsible for promoting consultation with social partners by taking appropriate measures for regular and effective consultation. Article 2, paragraph 1 of Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144) and Article 5(c) of Tripartite Consultation (Activities of the International Labour Organisation) Recommendation, 1976 (No. 152) stipulate the need for countries that ratify the Convention to undertake procedures for effective tripartite consultations. Such procedures should take account of the national context as specified in paragraph 1(1) of Consultation (Industrial and National Levels) Recommendation, 1960 (No. 113).

Among the government ministries, the promotion of tripartite or bipartite social dialogue is normally the responsibility of the labour ministry. Its role is stipulated in Article 5(1) of the Labour Administration Convention, 1978 (No. 150). In order to promote tripartism, the labour administration establishes suitable fora or institutions of national social dialogue. In fostering tripartite and bipartite social dialogue, the labour administration should ensure that social partners enjoy freedom of association so that employers and workers are able to state their views independently. Paragraph 3 of Recommendation No. 113 again stipulates the importance of respecting national custom and practice in establishing the fora or institutions of social dialogue as follows:

“In accordance with national custom or practice, such consultation and co-operation should be provided for or facilitated:

(a) voluntary action on the part of the employers’ and workers’ organisations, or
(b) by promotional action on the part of the public authorities, or
(c) by laws or regulations, or
(d) by a combination of any of these methods”.

As a protagonist, the Government should engage in active social dialogue with its own employees, i.e. public sector workers, by respecting the principles of Labour Relations (Public Service) Convention, 1978 (No. 151). By doing so it not only promotes bipartite social dialogue in the public sector but also helps establish a culture of social dialogue. In response to increasing demands for transparency and efficient delivery of public services, the internal organization of many government departments and services has been restructured and their management style has been changed. There has been a trend towards decentralisation and more thorough measurement of the performance of public sector workers. In education and health, in particular, elements of market competition have been introduced. Social dialogue has a key role to play in managing such public sector reforms.

In relation to social dialogue beyond the public sector, the Government takes part in tripartite social dialogue as a full partner or as a facilitator. It is indispensable that the Government recognises workers’ and employers’ organizations as viable partners capable of making valuable contributions to economic and social policy formation. If the Government is unwilling or reluctant to share its power, and if it cannot protect the fundamental principles mentioned above, social dialogue

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Box 1.2. Tripartite plus social dialogue at national level: the example of Ireland

Since 1987, Ireland has been successfully negotiating and implementing a series of three-year social partnership agreements. Irish social partnership is unique in its dynamism. As the issues discussed in the partnership agreements expanded, the representative base also expanded. Prior to the negotiation of Partnership 2000, Irish social partners were confined primarily to the peak level social partners from workers’ and employers’ organizations and farmers’ organizations. Since the negotiation of Partnership 2000, a fourth group of actors, the representatives of the community and voluntary sector, participated in the negotiation of agreements as full social partners. The community and voluntary sector includes representatives of the unemployed, women, disadvantaged communities, people with disabilities, youth, the elderly and rural groups. Through their representation and participation, the content of agreements has expanded, to deal more comprehensively with issues of concern to socially excluded and disadvantaged groups.

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cannot flourish. Visser (1999: 88) identifies this “capacity and willingness of the public authorities to share regulatory authority with organizations of civil society that they do not administratively control” as one of the most crucial factors in successful tripartite social dialogue.

The topics of social dialogue may go beyond those specified in ILO Conventions and, as listed in Chapter 3, may include wider social and economic issues which are of common concern to the Government and social partners. Social dialogue is a dynamic process which requires continuous investment/efforts to sustain it: the Government, in cooperation with social partners, should ensure that the fora or institutions established to facilitate social dialogue at national level are effective and sustainable.

Social dialogue, tripartism and the ILO

Social dialogue plays a key role in promoting the ILO’s Decent Work Agenda. The ILO promotes national social dialogue mainly through the following means:

- International labour standards
- Technical cooperation
- Technical assistance/policy advice

One of the major avenues by which the ILO promotes social dialogue is through the ratification and implementation of international labour standards. Many ILO Conventions and Recommendations stipulate social dialogue as a means to achieve their respective goals. Convention No. 144 as well as Recommendation No. 152 refer directly to social dialogue and tripartism. They promote tripartism and social dialogue by ensuring the involvement of social partners in the ILO’s standards-related activities. In addition, the International Labour Conference adopted conclusions concerning tripartite cooperation at the national level on economic and social policy in 1996, and a Resolution Concerning Tripartism and Social Dialogue in 2002. In addition to the international labour standards which directly promote social dialogue, there are other Conventions which are essential for effective social dialogue, including Conventions Nos. 87, 98 and the Collective Bargaining Convention, 1981 (No. 154), as well as Convention No. 150.

The ILO implements a number of subregional and national technical cooperation projects in which social dialogue is a major component. These projects generally have a time span of two to five years, and develop several activities to establish and improve social dialogue processes and institutions. Capacity building of social partners as well as labour administrations are some of the most important components of these projects in Africa, the Arab States, the Americas, Asia and Europe.

The ILO also promotes social dialogue through other forms of technical assistance. This assistance can take several forms: it can be direct policy advice at the country level; conferences at the national and the subregional level to raise awareness of social dialogue and training workshops in order to meet specific needs. The ILO also disseminates knowledge on different practices of social dialogue through its research programme.

14 The full texts of conclusions and the Resolution can be found in appendix 1 and 2 respectively.


16 The full list of projects overseen by the InFocus Programme on Social Dialogue, Labour Law and Labour Administration can be found on its web page: http://www.ilo.org/public/english/dialogue/ifpdial/proj/index.htm
There are certain conditions that facilitate effective social dialogue at national level. This chapter examines what constitutes an enabling environment for successful social dialogue at national level.

### Basic Enabling Conditions

#### Freedom of association

First and foremost, social dialogue is built on respect for and implementation of freedom of association. Freedom of association is a multi-faceted concept, and includes:

- the right of workers and employers to form and join organizations of their own choosing, and to do so without prior authorization;
- the free functioning of those organizations;
- the right to elect representatives in full freedom;
- the right of organizations to organize their internal administration;
- the right of organizations freely to organize their activities and to formulate their programmes;
- the right to strike;
- the right to form federations and confederations and affiliate to international organizations of workers and employers;
- protection against anti-union discrimination;
- protection against acts of interference;
- the right to bargain collectively.

Where there is an absence of full respect for freedom of association, the social dialogue process will lack legitimacy, and hence cannot be sustainable. If, for example, workers and employers are not able to freely choose their organizations, the organizations involved in the social dialogue process cannot truly be representative; or if there is inadequate protection against anti-union discrimination, frank and transparent consultations or negotiations will not be possible.

The Government plays a critical role in enacting appropriate national laws and regulations as well as in enforcing them effectively. It should ensure the protection of independence and fundamental rights of employers and workers and their organizations, and promote social dialogue as an actor or a facilitator.

#### Democratic foundations

As for the broader political environment, social dialogue needs democratic foundations. Social dialogue can provide an effective mechanism of participation which is essential for democratic governance. Though social dialogue can only flourish in a democratic society, it can make an important contribution to transition to democracy.

In some countries social dialogue is generally accepted and promoted, but in other countries social dialogue processes depend heavily on the attitudes of the Government in power. In Europe, for example, regardless of their political orientation, governments in Germany, Austria and the Netherlands traditionally promote social dialogue which is part of the established culture in their countries. In the 1990s, with a view to meeting the Maastricht criteria for joining the European Monetary Union, the Government and social partners in many other countries recognised the need for social dialogue as a means to reach consensus on meeting these criteria.

#### Legitimacy through representative, transparent, accountable and cohesive workers’ and employers’ organizations

Effective social dialogue is critically dependent on the legitimacy of the social partners. Employers’ and workers’ organizations need to be representative and reflect the interests of their members. Policy-making and decision-making should be transparent.
Special attention should be paid to the development of the voice of women, ethnic and religious minorities, indigenous groups, those in the informal economy and other groups that have traditionally found themselves on the periphery of membership organizations. In order to ensure better participation of marginalized groups, provisions ensuring their participation should be included in the rules or regulations of social dialogue institutions and fora. For national level social dialogue to be effective, social partners must also take account of issues concerning their members and the general population beyond the world of work.

Social partners must be able to marshal adequate support for their positions on the issues they are addressing. In considering national social dialogue, the presence of broad/encompassing and cohesive peak organizations contributes greatly to the consistency of their stance and hence their influence in negotiations. For example, examining social partnership in Austria, Talos and Kittel (2002: 36) argue that the "institutionalisation and strength" of peak organizations of workers' and employers' organizations are the key to the long-standing success of social dialogue in Austria. Complete and voluntary unity of different workers' and employers' organizations in a democratic so-

Box 2.1. Gender equality and social dialogue

The Malawi Labour Code explicitly provides for women's representation in one of their main social dialogue bodies. The Malawi Labour Relations Act (1996) sets out the composition of the Industrial Relations Court as follows:

66. (1) The Industrial Relations Court shall consist of:
(a) the Chairperson who shall be appointed by the Chief Justice (...);
(b) the Deputy Chairperson (...);
(c) five persons nominated by the most representative organisation of employees (the “employees' panel”) and appointed by the Minister;
(d) five persons nominated by the most representative organisation of employers (the “employers' panel”) and appointed by the Minister;
(2) At least one woman shall be represented on the panels under subsection (1) (c) and (d).

The Vietnamese Labour Code (2002) contains a specific provision on consultation with women at the enterprise-level and addresses the need for women labour inspectors:

Article 118
1. In enterprises employing a high number of women, a member of the management staff shall be assigned to deal with women's questions; when taking a decision, which affects the rights and interests of women and children, consultation with representatives of the women workers shall be ensured.
2. There shall be an appropriate proportion of women inspectors in the staff of the labour inspectorate.

Many ILO technical cooperation projects at the national, sub regional and global level also emphasise the importance of gender equality in social dialogue. The ILO’s InFocus Programme on Social Dialogue, Labour Law and Labour Administration (IFP/DIALOGUE) has developed a guide on “Technical Cooperation, Gender, and Social Dialogue”, to assist with mainstreaming gender into technical cooperation projects on social dialogue. In addition to this publication, IFP/DIALOGUE has also published “Gender Equality: a Guide to Collective Bargaining” and a guide on “Fostering Gender Equality in Poverty Reduction Strategy Papers through Participation”.

1 This guide was developed jointly with the ILO’s Bureau for Workers’ Activities.
2 This guide was developed as part of a DFID (UK) funded project entitled Capacity Building for Effective Social Dialogue in the PRSP of selected low-income countries.
siety is extremely rare. Nevertheless, it is impor-
tant to note that the presence of a unified federa-
tion or multiple but cooperative/consistent
confederations facilitates constructive social dia-
logue.

Political will and commitment to engage in social
dialogue by all parties

Each party should enter the dialogue with a com-
mon framework of reference and a common un-
derstanding of the purpose of social dialogue. All
parties should have a certain level of trust in, and
loyalty and commitment to the process. It is im-
portant for all participants to move towards a
broad consensus on the political, economic and
social organization of the society in which they
would like to live. This involves the acceptance of
social pluralism and mutual reconciliation of inter-
est. Social pluralism recognises the interdepend-
ence of social partners with an appreciation of
their divergent views and goals. The mutual rec-
ciliation of interests refers to the commitment of
social partners to identify common objectives
and priorities so that they can address current is-
issues together.

Social acceptance of tripartite social dialogue

Visser and Hemerijck (1997) emphasise that in
addition to the above-mentioned institutional con-
ditions and legal framework, wider societal sup-
port for social dialogue is crucial for its success.
Societal support requires a regime where the Gov-
ernment and the general public accept the social
partners as fully-fledged legitimate partners of so-
cial dialogue, where the general public supports
social partners’ participation in policy-making,
and where the Government is legitimate and po-
litically relatively stable.

Box 2.2. Bipartite social dialogue in Costa Rica

Bipartite social dialogue in Costa Rica started in the
early 1990s and has been successful due to its fo-
cus on the technical and methodological side of
social dialogue. With the help of the ILO and a re-
search institute called Estado de la Nación (State of
the Nation), it developed a clear social dialogue
methodology, based on team work and the assign-
ment of clear responsibilities to the social partners
throughout the process. Such methodology also
encouraged the clarification of the objectives of so-
cial dialogue through a series of bipartite agree-
ments on the issues to be addressed through so-
cial dialogue and on the research needed to fill the
gaps in knowledge. In addition, the research insti-
tute provided technical support in the main areas
identified by the social partners. A common un-
derstanding of the problems was key for the social
partners to be able to agree on a joint stance to-
wards resolving the problems. One positive result
of bipartite social dialogue within this framework
was the establishment of a Joint Commission to
examine the fiscal crisis in Costa Rica. Different
segments of society beyond the bipartite parties
participated in this Commission. The Joint Com-
mission reached an agreement on a contingency
plan to resolve the most urgent fiscal issues. Based
on this agreement, a law was approved by Parlia-
ment in 2002. In addition to such policy outcomes,
the development of trust and confidence between
the social partners, the establishment of a method-
ology of social dialogue, and enhanced capacity for
developing joint proposals are some of the positive
results of successful bipartite social dialogue in
Costa Rica.

Technical competence

To participate in national social dialogue con-
structively, it is important that the social partners
have the technical capacity to engage in debate
on wider issues beyond their immediate interests.
Social partners should have easy access to rele-
vant information concerning the major legal, so-
cial and economic issues facing their country. In
addition, in many countries in Western Europe,
workers’ and employers’ organizations have re-
search institutions attached to them. These re-
search institutions provide them with background
analysis of complex economic and social prob-
lems. They strengthen the technical capacity of
the social partners and enable them to negotiate
with the Government on an equal footing. Social
partners should also be trained to improve nego-
tiation, communication and conflict-management
skills. This is one of the areas where the ILO has
traditionally assisted with technical expertise.
Capacity to deliver

Successful social dialogue produces results, in some countries in the form of social pacts or agreements, signed by the negotiating parties. The contents of such agreements vary from a small number of narrowly focussed issues to agreements which include a large number of issues. Once such agreements are made, the parties involved in the negotiations should be able to deliver on what has been agreed. In most countries, the responsibility for implementation rests with the relevant government ministries. In other countries, such as Ireland, though the Government has overall responsibility for facilitating the negotiation and implementation of the partnership agreements, the social partners have a role in ensuring that the agreements are implemented properly. It is important that the country builds its capacity to implement and monitor such agreements. Without proper implementation, social dialogue might be perceived as just a talk-shop. Where appropriate, the agreements should be translated into concrete policies and action programmes and their implementation monitored and evaluated. Evaluations should feed into the next cycle of negotiation of a new agreement. In Ireland, as will be elaborated in the next chapter, a number of tripartite bodies are involved in the monitoring and evaluation processes. The lessons learned from the previous partnership agreements are taken into account for the next round of negotiations. This has been one of the key factors in sustainable and successful social dialogue in this country since 1987. The success of social partnership itself gave an incentive for renewed partnership agreements, which brought about further success.

Pitfalls in social dialogue

The importance of the enabling conditions mentioned above is evident upon examination of why some attempts at social dialogue have failed. Social dialogue cannot start or might fail due to the lack of interest or the unwillingness of either Government or the social partners. Unwillingness may come from the lack of democratic tradition, the weakness of social partners, or the absence of some of the other conditions pointed out in the previous section. What other factors contribute to the failure of social dialogue? What are the main criticisms of social dialogue made by participants and political observers? This section briefly introduces some problems associated with social dialogue. Even if the dialogue starts, it might not succeed in reaching consensus or compromise and hence cannot lead to joint recommendations or agreements.

Narrow vested interests, blocking reforms

Examining past European experiences, Auer (2000: 52) argued “at the time social dialogue experienced problems, the approach was often more adversarial and ideologically charged. However, when it became more pragmatic and oriented towards problem-solving, it contributed significantly to employment success.” A problem-solving approach is essential for social dialogue to result in a successful outcome.

Lack of basic agreement on economic analysis/prescription

Denmark and Sweden, countries which traditionally had very institutionalised and successful social dialogue in the post-war period until the 1980s, have reduced the involvement of social partners in broader economic policy-making. In Germany, where social dialogue is entrenched, a series of attempts to agree on a tripartite stance through the Alliance for Jobs was made in the 1990s and 2000s. In the first tripartite session in December 1998, an agreement entitled “Joint Declaration of the Alliance for Jobs, Vocational Training and Competitiveness” was reached, describing the tripartite parties’ common goals with some concrete plans on how to organize the further work of the tripartite alliance. However, this

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18 This is particularly the case when agreements have a narrow technical focus.

19 For further elaboration, see the section on cycle of policy concertation in Chapter 3.
agreement did not produce the expected results in overcoming the deadlock in labour market reforms, and negotiations finally broke down in February 2003. What are the factors which have made tripartite agreement difficult in these countries?

A major difficulty lies in the lack of basic agreement on an economic analysis to solve the economic problems that each country faces. In the post war period until the 1970s, when Keynesian economic policy-making occupied a hegemonic position, all three parties in these countries agreed on the basic economic prescriptions. Hence, social dialogue was smooth and successful. Since the 1980s/90s, whereas unions still mainly believe in Keynesian analysis, governments and employers have increasingly subscribed to monetarist or neo-liberal prescriptions to solve economic problems. Although all three parties agree on the problems the country faces, they disagree on the prescriptions to solve these problems. Unless parties agree to go beyond such analytical fault lines and concentrate pragmatically on problem-solving, it is difficult to arrive at a consensus on policy responses.

Lack of democratic accountability and legitimacy

Over-institutionalised and rigid social dialogue can be viewed as undemocratic as the decision-making processes become opaque, and are seen as taking place “behind closed doors”. In such a situation, political parties and observers will criticise social dialogue as undemocratic. According to Compston (2002: 319), such criticism was made by opposition political parties (both from the right and left of the political spectrum) in Austria. In France, although the role of social partners in negotiating social change is acknowledged, right of centre political parties argue that the State alone should take decisions on economic policy, because only politicians are elected to reflect the interests of the general population (Parsons 2002: 119-120). This position is shared by the British and Swedish Conservative parties who perceive policy concertation as undermining political accountability and parliamentary sovereignty. In Ireland, it has been pointed out by political observers that policy concertation can be undemocratic in the sense that it bypasses Parliament and especially ties the hands of a newly-elected Government to initiate and implement election promises. Another criticism is that social dialogue lacks representational legitimacy, coming from minority groups in Austria and Ireland, protesting that their views are not reflected in social dialogue processes.
CHAPTER 3: TYPOLOGY OF SOCIAL DIALOGUE

This chapter examines in detail the types of social dialogue that can be found in practice. The patterns of social dialogue differ depending on the specific industrial relations regime of a country. Social dialogue is not a new phenomenon, but built upon traditional social and industrial relations regimes. In other words, it is embedded in a country’s cultural, historical, economic and political context.

Representation and issues of social dialogue

Patterns of social dialogue can be classified along the following two categories:

• Representation: who participates in social dialogue?
• Issues discussed: what issues are addressed in social dialogue?

As to the representation dimension of social dialogue, as mentioned in Chapter 1, it can be bipartite, tripartite or tripartite plus. Regarding Government representation, traditionally the ministry of labour has played a critical role in tripartite social dialogue. Recently, due to the widening scope of national social dialogue, the ministry of labour is not necessarily the exclusive representative of the Government. Depending on the issues discussed, broad participation by government departments, from labour to finance, education/training to justice, trade to economic planning is desirable and can be expected. In some countries, not only the relevant ministries but also the office of the head of Government participate actively in tripartite social dialogue.20

As for the issues to be addressed, there is no limit to issues that can be covered by tripartite consultation. Wherever governments, employers’ organizations and workers’ representatives can find areas of shared relevance and can establish some form of cooperation, they can engage in meaningful social dialogue. Social dialogue at the national level is unique in addressing broader issues related to economic and social policies. The following non-exhaustive list gives key subject matters dealt with through national social dialogue:

- Wider economic and social policy issues
  • macroeconomic policy framework and economic growth;
  • structural change and transformation of the economy;
  • wage increases and inflation; monetary policy;
  • employment policy;
  • gender equality;
  • education and vocational training;
  • productivity and economic competitiveness;
  • taxation and fiscal policy;
  • social welfare, security and protection;
  • economic and social strategies to deal with externally originating pressures for reform, such as:
    • transition to a market economy;
    • regional integration;
    • structural adjustment programmes;
    • poverty reduction strategy processes.

20 An example is the Prime Minister’s office in Ireland.
Labour and industrial relations issues

- wage setting, including minimum wage determination;
- labour legislation;
- working conditions;
- labour market policy (also treated as an integral part of wider socio-economic policy issues);
- labour dispute settlement;
- occupational safety and health.

Social partners have a stake in macroeconomic policy, mainly through their interest in wages and prices policy. Macroeconomic policy is often discussed in the framework of wider economic and social policy or incomes policy. Discussion in the 1990s in many European countries centred around the tension of how best to increase the competitiveness of the economy without compromising social justice. Indeed, the issues covered in macroeconomic dialogue were wide-ranging from macro to micro economic and social policies, including monetary policy, exchange rate policy, public spending, the tax regime, wage increases, reform of social welfare systems, promotion of small and medium enterprises, enhancement of workplace collective rights, and the reduction of poverty. Social security and protection is one of the prime public policy areas in many OECD countries where social dialogue is used extensively. Social partners are involved in policy making and administration in Austria, Germany and France. With the problem of ageing becoming acute in most developed countries as well as in the EU accession countries in Central and Eastern Europe, social dialogue is increasingly used as a means to achieve social and economic compromises on pension reforms. In addition to being a topic to be explicitly dealt with, gender equality and gender perspectives are being integrated into these other topics.

Box 3.1. Tripartite Commissions for Equality in Employment in Southern Cone countries

Since the mid-1990s, national social dialogue in a number of Southern Cone countries has addressed gender equality in relation to employment issues. In these countries, participation rates of women are relatively high, but women workers are still discriminated against in the area of wages and social security. Unemployment is higher among women workers and occupational bias hampers women workers entering certain job categories. In addition, access to training for women workers needs to be improved to upgrade their skills. In order to promote equal opportunities for men and women on labour and social issues, Tripartite Commissions for Equality in Employment were established in Argentina, Chile, Paraguay, and Uruguay during 1995-98. The role of these Commissions is to promote equal opportunities between men and women by defining strategies and policies to deal with the challenge of gender inequality in the labour market.

These tripartite Commissions have served as national fora for policy dialogue, in which the positions of social partners and the Government are effectively raised and agreements reached on issues relating to employment with a gender perspective. These agreements have led to a reduction in gender discrimination in labour markets in the respective countries. The Commissions have become the reference point for analyses related to gender equality in employment and the drafting of proposals on issues that affect women workers. They also promote gender mainstreaming in other national bodies dealing with other issues. Galilea and Marin (2002) argued that the Commissions have been effective national tripartite bodies with the capacity to reach consensus among social partners. They assert that this is because gender issues are not a confrontational topic among tripartite parties, and that, in the case of gender, tripartite parties have clear and converging objectives. Hence, they are more willing to engage in constructive dialogue.

Source: Galilea and Marin (2002)

21 For detailed country examples, see Reynaud ed. (2000). 22 For further details of gender mainstreaming and the ILO's tools to promote gender equality, see http://www.ilo.org/dyn/gender/gender.home and http://www.ilo.org/public/english/employment/gems/
As for labour and industrial relations issues, wage setting includes minimum wages, pay structures, and the level and increase of wages including different forms of employees’ financial participation. In many countries, such as Austria, Belgium and the Netherlands, labour relations issues can be narrowly confined to technical matters, or they can be treated as an integral part of broader social and economic policy.

### Classification of different forms of social dialogue at national level

Having indicated the wide range of issues that social dialogue can address, this section expands on how this can be done in different forms. Social dialogue can take many forms, from the most formal and binding negotiated agreements to publishing merely informal recommendations, or consultation and information sharing. Social dialogue is a dynamic process with its structure and institutions often worked out during the process of dialogue itself.

In line with the classification made by Casey and Gold (2000: 119) and Compston (2002b), the following is intended as a simplified categorisation of the variety of forms and patterns of social dialogue. It represents three basic variants in which labour relations issues as well as wider economic and social issues are discussed:

#### 1. Social dialogue on labour relations issues

**A) ‘Narrow’ social dialogue**

- **Representation:** tripartite or bipartite
- **Issues discussed:** labour relations issues

  This form of social dialogue takes place in fora where employers, workers and their representative bodies (conventionally termed as insiders) discuss ‘insider issues’ (such as pay, terms, conditions and rights at work, social security) through consultation procedures or collective bargaining.

**B) ‘Broad’ social dialogue**

- **Representation:** tripartite or bipartite
- **Issues discussed:** wider economic and social issues

  This form of social dialogue takes place in fora where insiders also discuss ‘outsider’ issues such as job creation measures and employment policy, thus allowing those active in the labour market to engage the interests of those who are not active (i.e. outsiders such as the unemployed, pensioners, school leavers and people with disabilities). This can be extended to include the whole range of economic and social policy making.

#### C) ‘Wide’ social dialogue

- **Representation:** tripartite plus other relevant interest groups
- **Issues discussed:** wider economic and social issues

  This type of social dialogue takes place in fora where both insiders and outsiders discuss social and economic issues of joint concern. In such fora, representatives of young people, the unemployed, pensioners, consumers and environment groups among others participate alongside employers’ and workers’ organizations.

Figure 3.1 below graphically explains the differences in practices of social dialogue by issues on one axis and representation on the other axis.
Table 3.1 above presents some examples from Western European countries of ‘broad’ and ‘wide’ social dialogue by country and main policy area covered.

The policy focus of social dialogue in Europe has also been affected by regional developments at the EU level. In EU countries, under the terms of the Amsterdam Treaty (1997), the social partners of the Member States have to draw up and implement National Action Plans for the European Employment Strategy. This suggests that increasingly substantive ‘broad’ social dialogue is required in EU Member States. Indeed, EU affairs have provided a strong impetus for national social dialogue in many Member States. Notably, the Maastricht convergence criteria for the qualification for European Monetary Union became a catalyst for the revival of national social dialogue during the 1990s.

<table>
<thead>
<tr>
<th>'Broad' social dialogue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
</tr>
<tr>
<td>Incomes policy, social policy, prices and wages policy, fiscal policy, monetary policy, investment policy, industrial policy, social welfare, labour law, job creation and training, employment</td>
</tr>
<tr>
<td>Finland</td>
</tr>
<tr>
<td>Macroeconomic policy, incomes policy (wages, taxation, social security and social welfare), employment</td>
</tr>
<tr>
<td>Germany</td>
</tr>
<tr>
<td>Social insurance, labour law, health, reconstruction of East Germany</td>
</tr>
<tr>
<td>Italy</td>
</tr>
<tr>
<td>Taxation, public expenditure, pensions, labour law</td>
</tr>
<tr>
<td>The Netherlands</td>
</tr>
<tr>
<td>Social security, employment, labour market policy</td>
</tr>
<tr>
<td>Portugal</td>
</tr>
<tr>
<td>Modernisation of the economy, macroeconomic stability, working conditions, competitiveness and productivity, labour market policy, reformulation of collective bargaining legislation, social security and protection</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>'Wide' social dialogue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
</tr>
<tr>
<td>Overall macroeconomic policy strategy, social welfare, government spending in general, employment policy, labour market policy, social policy, regional policy, equality</td>
</tr>
</tbody>
</table>

Note: These examples are far from exhaustive.

Source: Compiled from information provided by Compston ed. (2002); Casey and Gold (2000); Fajertag and Pochet (1997, 2000); Trebilcock (1994)
Policy concertation and dialogue at national level in practice

Having dealt with the different forms of social dialogue in general, the representation of social partners and the issues of national social dialogue, let us expand on the process of social dialogue in practice. Different processes of social dialogue are first of all distinguished by their objectives and secondly by the mechanisms/institutions in which social dialogue takes place. Adapted from Compston (2002c: 316-17) and other sources, the following section represents an overview of key patterns of national social dialogue.

1. Bipartite, tripartite or tripartite plus negotiations leading to social pacts

In some countries, national social dialogue is widely used for achieving consensus leading to national social pacts. There is no fixed institutional framework to support such negotiations, although some quasi-institutional forms have sprung up in some countries. Italian social dialogue, although having produced a number of pacts, depends for its success largely on the willingness of the national Government. Spain agreed in the 1990s on a number of bipartite or tripartite pacts on specific issues such as industrial relations/collective bargaining, social security and pensions, and employment contracts. In Germany, a number of initiatives were taken to move towards social pacts, most prominently the “Alliance for Jobs”, though no consensus was achieved. Social pacts are not exclusively an European Union phenomenon: they have also been agreed in some EU accession countries in Central and Eastern Europe as well as in countries in Africa and Asia, including Senegal, Mali, Korea and the Philippines.

2. Bipartite, tripartite or tripartite plus negotiations in institutions designed specifically as fora for policy concertation and dialogue

Agreements resulting from social dialogue do not necessarily materialise as formal social pacts. Austria, for example, has a long tradition of social dialogue at national level, with decision-making dominated by an informal consensual approach. Social partners are an integrative part of political decision-making processes in Austria’s social market economy. At the centre of tripartite national social dialogue is the non-statutory Joint Commission. Established in the early 1950s, this voluntarily constituted forum is the place for resolving conflicts between the social partners while jointly pursuing common interests on a wide range of policies, including incomes policy, pricing, tax and wage policies and subsidies.

Ireland represents an interesting case where successful national social dialogue leading to social pacts became increasingly institutionalised. The National Economic and Social Council, established in 1973, has played an increasingly important role in national social dialogue. Through successive pacts, many new partnership institutions were established to facilitate implementation and monitoring. In other words, social pact negotiations in Ireland are undertaken in an environment of both long-established revitalised institutions and newly established fora.

In Denmark in the 1990s, unlike in the 1970s and the beginning of the 1980s, policy concertation on macroeconomic policy did not take place. However, social partners are closely involved in discussion and negotiation of labour market policies and regulation, some of which lead to government commitments on policy. This takes place in temporary pre-legislative committees and in permanent tripartite committees at national level (Mailand 2002: 86).

Some countries have bipartite bodies at the national level to discuss labour and wider social economic issues. The bipartite Labour Foundation and the Social and Economic Council in the Netherlands both advise the Government on pay policies, labour market issues as well as social and economic policy.

23 See box 4.7 for details.
24 See box 4.10 for details.
3. Tripartite dialogue within an institution attached to government ministries

Many developing countries have tripartite consultative bodies attached to the Ministry of Labour which deal with issues such as labour law/regulatory reform, working conditions and policy matters related to labour relations. They are most commonly called Labour Advisory Councils, and their functions are mostly consultative, and advisory to the Government. Examples of such institutions can be found in many parts of the world. For instance, in Central and Latin America, the Central Labour Council in Colombia advises the Government mainly on draft labour legislation and monitors the enforcement of existing legislation. In Costa Rica, the tripartite Superior Labour Council is attached to the Ministry of Labour and Social Security, and is consulted on social and economic problems. The main functions of the Council include i) carrying out studies on social and economic developments and on living and working conditions of workers; and ii) advising on draft bills and regulations related to labour, social and economic issues when requested by the Ministry of Labour. In the Dominican Republic, the Consultative Council of Labour was created in 1999 in order to advise the State Secretary of Labour on issues relevant to the development and coordination of relations between capital and labour.

Many similar bodies exist in Africa, such as the National Advisory Council of Labour and Social Security in Senegal, and the Tripartite Consultative Labour Council in Zambia.25 The Conseil National du Travail in Benin gives advice on the functioning of labour courts, on criteria for determining the representativeness of social partners, and on social security. The Commission Consultative du Travail in Niger, attached to the Ministry of Labour examines issues related to labour law, collective agreements and their application. It is also in charge of studies which serve as a basis for determining minimum wages and minimum living conditions by examining economic conditions in general. It is a consultative body on all issues related to employment and labour relations. In addition, the Commission Nationale sur le Dialogue Social (CNDS)26 was established in Niger in 2000. Its permanent secretariat is attached to the Ministry of Labour. It is a tripartite plus institution with representatives of the Government, social partners as well as civil society and cooperative organizations. The CNDS was established to promote effective social dialogue among social partners and to facilitate the resolution of industrial conflicts. For other more targeted issues, tripartite dialogue within or outside the umbrella of the Ministry of labour is common in many countries on minimum wages or general wage policy, vocational training, occupational safety and health, and dispute prevention and resolution.

4. Bipartite agreements (workers’ and employers’ organizations) which are implemented by the State

The examples given above under three subheadings mainly refer to national social dialogue involving tripartite or tripartite plus negotiations. Many countries also have bipartite social dialogue at the national level. In France and Spain, for example,

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25 Trebilcock et al. (1994)
26 ILO Programme de Promotion du Dialogue Social en Afrique Francophone (PRODIAF) project played an important role in establishing the CNDS.
labour laws and social provisions are often based on the content of bipartite agreements signed by some, though not necessarily all, workers’ and employers’ organizations. They are implemented unchanged by the State. In some countries, bipartite social dialogue institutions work as a policy-making body in the absence of well-functioning tripartite social dialogue. For example, the Labour Foundation (FUNTRAB) in Panama is one of the few existing examples of institutionalised bipartite dialogue in Latin America. In Asia, a new bipartite body was established in Pakistan in 2000 to discuss matters of common concern and build trust among employers’ and workers’ organizations.

5. Dialogue within the boards of government executive agencies

So far, examples shown in the above four sections have dealt with consultation and concertation leading to public policy-making. In some countries, social dialogue is used not only as a policy formulation process, but also to implement and administer the policies agreed. For instance, the involvement of social partners in social security administration is common in many European countries. Systems of joint administration of social security schemes for employees exist in Austria, France, Germany, and the Netherlands. In Sweden, trade unions administer unemployment insurance. There is policy concertation in social insurance agencies in France, social security funds in Germany, social insurance agencies in Italy, and employment and social security agencies in the Netherlands (Compston 2002c: 316). Germany, Ireland, the Netherlands and Sweden also have tripartite or bipartite bodies involved in the administration of labour market policies.

Cycle of policy concertation - social dialogue processes

For national social dialogue to be sustainable in the medium and long term, there should be a proper cycle of social dialogue in place. Such a cycle consists of a mechanism of regular consultation and discussions, agreeing on common stances, and the implementation of agreements and their monitoring/evaluation. Figure 3.2 below shows the cycle of the different stages of the social dialogue process.

Social partners can be actively involved in different stages of the social dialogue processes. This does not apply only to policy-making processes which lead to agreements. Social partners can also be actively involved in the implementation and monitoring stages of social dialogue.

National social dialogue institutions often provide the platform for social dialogue. This shall be elaborated in the following sections. However, institutional social dialogue is not the only way to facilitate an effective policy cycle. There is an interesting innovation to policy-making, implementation and monitoring processes, involving social partners at different stages regarding the European Employment Strategy and other social policy agenda items. This new methodology is called “open method of coordination” or “soft” (i.e. not law-based) regulatory approach.

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**Figure 3.2. Cycle of social dialogue**

- Discussion
- Negotiation
- Agreement of Action
- Programme
- Implementation
- Follow up /
- Monitoring /
- Evaluation

Feedback to the next round of social dialogue
Role of social dialogue institutions

Social dialogue in practice can take place either on an ad hoc or formally institutionalised basis as mentioned above. Formalisation or the permanent nature of institutions does not necessarily mean that it is functioning better than ad hoc social dialogue. The two forms can be mutually reinforcing as the case of Singapore shows.

Box 3.3. Open Method of Coordination (OMC)

OMC is a new instrument of policy making, implementation and monitoring. It is a flexible, participatory, and an experimental methodology/system of governance for social policy in Europe. First developed as an instrument for the European Employment Strategy (EES), OMC has now been used widely on programmes regarding employment policy, social inclusion, social protection and other policy areas. OMC is a process which promotes social dialogue among stakeholders at different stages of the policy cycle. It is also multi-levelled as the EES emphasises the importance of regional and local level participation and inputs which contribute to a national level document. It is designed in a way to facilitate the active participation of stakeholders in formulating the guidelines, and in their implementation and monitoring processes. The Lisbon EU Summit in 2000 established OMC, based on the logic of mutual learning, benchmarking, best practice and peer pressure. OMC has translated the EES process into a series of methods of intervention. OMC in the context of EES and other social policies in Europe is comprised of the following elements: common overall European-wide objectives; national action plans agreed as a result of national, regional and local social dialogue; regular annual or biennial policy cycles; requirements of consultation with social partners and representatives of civil society as well as various standing EU institutions; benchmarking and exchange of best practices; review of progress by the Commission; peer reviews; and the use of common indicators. Due to its “soft regulation” nature, the notable characteristic of OMC is the lack of formal sanctions for Member States which fail to deliver results promised in accordance with EU objectives and guidelines. However, the lack of formal sanctions is compensated by other mechanisms, such as peer pressure through peer review processes. In addition, Régant (2002: 19) argues that the use of common indicators implicates an indirect form of a sanctioning function. “The setting of parameters, referring to which Member States succeed or fail in their commitments, corresponds to a sanction even if it is soft in that it does not provide any coercive effect.”

Box 3.4. Ad hoc vs. permanent institutions of tripartite social dialogue in Singapore

In its modernisation drive, Singapore has created a variety of tripartite social dialogue institutions. Tripartite institutions have been very effective in articulating conflicting interests between the three parties, formulating and implementing social and economic policies. Singapore has developed a number of well-functioning permanent tripartite institutions such as the National Wage Council (NWC) and the Industrial Arbitration Court and National Productivity Board. The NWC is one of the most well known tripartite institutions in East Asia which has contributed to harmonious economic growth by ensuring fair distribution of economic benefits while stimulating economic growth through a series of tripartite guidelines on wage policy. But it should be noted that tripartite actors in Singapore have created numerous ad hoc tripartite bodies to address issues of common interest whenever the need arose. For example, the ad hoc panel on retrenchment was created to cope with the unemployment crisis after the Asian economic crisis. Other examples include the Panel on the Extension of Retirement Age, the Panel on Employment Act Review, the Panel on Workplace Health Promotion, the Tripartite Committee on Competitiveness and the Panel on Portable Medical Benefits.

Source: Box 5. of Lee (2002).
National tripartite or bipartite institutions as supportive fora of social dialogue

Ad hoc consultations are possible and common in the start-up phase of social dialogue, in transition periods, or in the case of temporary economic crises. Well-established national social dialogue usually takes place through formally established bipartite/tripartite bodies. The presence of bipartite or tripartite institutions at national level helps to coordinate and facilitate social dialogue processes. In some countries, such as France and Portugal, consultation with their bipartite and tripartite plus Economic and Social Councils (ESCs) on selected policy issues is a statutory obligation for the Government. There are some differences in the functioning of ESCs: in France, the ESC gives advisory opinions on Bills before they are submitted to the National Assembly. These are formally voted on in the plenary sessions. In Portugal, any decisions made in the tripartite Standing Committee for Social Dialogue, a part of the ESC, do not require the approval of the plenary session of the ESC. In this Committee, tripartite parties negotiated and signed a number of social agreements. Austria is a unique case where the firmly established tripartite Joint Commission on Prices and Wages is voluntarily established and informally constituted. The existence of institutions is a critical factor in facilitating the process of social dialogue but does not guarantee its success. Without the commitment of social partners and the Government, social dialogue cannot be sustained and cannot be constructive. National social dialogue institutions should be regarded as a supportive framework, with success ultimately depending on the willingness and ability of the social partners. In fact, in many countries, tripartite or bipartite bodies exist but are not used or do not function effectively for social dialogue.

Variety of tripartite or bipartite fora at national level

The structure, composition and mandate of formal bodies vary from country to country. They can be bipartite, tripartite or tripartite plus. Such national bodies have one or a combination of the following functions:

- development of policy initiatives;
- advice to Government on policy issues;
- consultations on policy formulation;
- decision-making or recommendations on policy;
- negotiation of accords or agreements;
- administration of established policy;
- supervision of implementation of agreements.

Social dialogue has been facilitated by fora on wider economic and social policy and by fora dealing only with labour relations issues related to the world of work. As the focus of this resource book is national social dialogue on broad economic and social policy matters, only those institutions and systems related to this function are examined here. Before doing so, however, let us briefly sketch out the different fora for social dialogue on labour relations issues. Wage determination and labour relations are traditional areas of bipartite collective bargaining between employers’ and workers’ organizations, or tripartite consultation and concertation. The Dutch Foundation of Labour, consisting of bipartite representatives of workers’ and employers’ organizations, is the key institution of joint (with the Government) monitoring of collective bargaining, which is considered to be a regular ingredient of social policymaking. It is considered to have been crucial to finding a shared understanding between peak employers’ associations and unions in the 1990s, forming the basis of the Polder model. In other countries, tripartite cooperation takes place in specific technical areas of labour relations, such as the United Kingdom’s Advisory, Conciliation and Arbitration Services (ACAS). Other countries set up specialised tripartite bodies such as Australia’s National Board of Employment, Education and Training. There are other technical policy areas where tripartite or bipartite cooperation takes place through institutions. For example, advisory committees on occupational health and safety have been long standing in Finland and France.

27 For more information about the Portuguese case, see box 4.4.
28 For details of Polder model see Chapter 4, Box 4.9.
Fora to discuss wider economic and social policies at national level

Many countries have Economic and Social Councils (ESCs) or national institutions with a similar name to address wider economic and social policies at national level. According to the International Association of Economic and Social Councils and Similar Institutions (IAESCSI), these institutions exist in almost 50 countries.29 Many countries in Africa (predominantly North Africa and Francophone Africa), Central and Eastern Europe, and to a lesser extent in Asia and Latin America are members of the IAESCSI: among the over 30 members of the organization, 11 countries are from Africa, two countries each from Asia and Latin/Central America, and the rest are from Western, Central and Eastern Europe.

They can be bipartite, tripartite or tripartite plus bodies. Such bipartite, tripartite or tripartite plus fora have a variety of functions and mandates. They are most effective in a society where a culture of cooperation and consensus seeking/building among different stakeholders exists. They form an integral part of national political systems and institutions, and have to be understood within the context of the long-standing socio-cultural regime peculiar to a country. As social dialogue is a dynamic process, they are constantly evolving in order to meet the country's social and economic needs. It is important to note that there is no standard or ideal model for these fora, universally applicable to all countries.

Size and composition

ESCs come in varying sizes and composition of membership. They can be extremely large or very small. The Social and Economic Council in France has more than 200 members. The National Council for Economic and Labour Affairs in Italy has more than 100 members. Other European countries have smaller ESCs or their equivalent with around or less than 50 members. They can meet in public or closed sessions. The size of the institution affects the way the ESCs operate. The larger the size of the institution, the more formalized their procedures tend to be. For example, the French ESC sessions are public and resemble parliamentary sessions. Many ESCs have a permanent secretariat of their own to deal with administrative affairs or to produce position papers.

Others are attached to one of the government units.30 In some countries, more than one tripartite institution exists dealing with wider social and economic policies, as demonstrated in the case of Ireland. In others, ESCs contain subcommittees to address particular technical subject matters.

As for composition, many have a bipartite, tripartite or tripartite plus membership and often include independent experts. A non-exhaustive list of representatives coming from outside the tripartite constituents, excluding independent experts, includes the following groups: farmers, owners of small enterprises and crafts, representatives of cooperatives, community groups, consumer groups, environmental associations, representatives of religious communities, and other groups such as the unemployed, youth and women.

Functions

As for their functions, many of these fora are used predominantly for consultation, although some are used for policy concertation.

Consultation

In some countries, governments are legally required to consult ESCs, though their opinions are not always taken into account. In Western Europe, this applies to ESCs in France, Greece, Luxembourg, the Netherlands, Norway and Portugal. The Dutch Social and Economic Council is a statutory bipartite forum for consultation on social and economic policies, and is regarded as a facilitator of national social dialogue. Though powerful, the French Social and Economic Council has not always been efficient in decision-making, because the very heterogeneous representation of interests has made reaching consensus difficult, leaving issues to be decided by the Government. Italy’s Constitution allows the National Council for Economic and Labour Affairs to submit Bills to parliament, but over time its de-facto influence has diminished to lobbying and consultative functions. For many other countries, the dominant function of their ESCs remains consultative, even though this is not necessarily stipulated in the country’s legal framework. Giving opinions on draft legislation is one of the most common forms of consultation.

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29 For more information, see www.aicesis.org
30 In Austria, the Joint Commission on Prices and Wages is attached to the Federal Chancellor’s Office.
Concertation

In some countries, ESCs are part of the system of policy concertation. In Austria and Ireland, though having a very different historical background, complex institutional arrangements for policy concertation exist. In Austria, the Joint Commission is the long-standing mechanism of national social dialogue. This is a tripartite plus forum with the participation of social partners, farmers and the Government. Within the Commission, there are four technical sub-committees: one for prices, one for wages, an advisory board on economic and social issues and a committee on international issues. In the former two, in-depth concertation takes place on price trends, competition and wage developments. The decisions taken by these sub-committees are not legally binding. However, they have been proven to be effective due to their historical institutional credibility. According to Tomandl and Winkler (1994:107) subcommittees’ decisions have a certain “trust effect”, which makes Austrian economic actors follow their recommendations. The Advisory Board on Economic and Social Issues is an advisory body to the Commission. Reflecting the expert knowledge of not only social partners but also of advisors from academia, it plays an important role in providing studies to facilitate a common understanding of policy issues among participants and proposes strategies to approach economic and social problems. More general macroeconomic policy issues are discussed in the full assembly of the Joint Commission.

In Ireland, the Department of the Taoiseach (Prime Minister) is responsible for facilitating the overall negotiation and implementation of the social partnership agreements, the main form of national social dialogue. There are three main tripartite or tripartite plus institutions to support national social dialogue processes: the National Economic and Social Council (NESC), the Central Review Committee (CRC) and the National Economic and Social Forum (NESF). The NESC is composed of members representing the social partners, senior civil servants, government nominees and the community and voluntary sector. It provides a forum for seeking consensus on economic and social issues, and to advise the Government through the Taoiseach. One of the key roles of the NESC in Irish social partnership processes is to set the agenda for the negotiation of partnership agreements. It publishes a strategy report that provides the framework for the negotiations on national agreements. The CRC was established by the first social partnership agreement, the Programme for National Recovery in 1987, to oversee and monitor the implementation of the social pacts agreed. The NESF’s main task is to develop economic and social policy initiatives, with the remit to especially address issues such as equality and social inclusion. Its membership is wider than the traditional tripartite composition, by including representatives from community and voluntary sectors and opposition political parties. In 2001, the National Centre for Partnership and Performance (NCPP) was established to support and promote organizational change, based on partnership, in both the public and private sectors.

> Challenges associated with well-functioning social dialogue institutions

The existence of supportive structures helps national social dialogue institutions to function well. Establishing a permanent secretariat is not the only way to achieve such an objective, but is one of the most effective means to ensure sustainability of the institutions established.

The role of the secretariat

In the ILO guide to the creation and operation of permanent secretariats of national tripartite consultation bodies in French speaking Africa, Lécuyer (2001) lists several practical checks regarding well functioning national social dialogue institutions. The permanent secretariat can be responsible for administration – preparing, organising and following up the activities of the social dialogue institutions. It can also perform a research
function, providing the base documents for negotiation, so that those engaging in dialogue have the same understanding and framework of reference regarding the current economic and social situation. In reality, the secretariat of the tripartite body dealing with labour issues is often attached to an administrative unit of the labour administration, i.e. the labour ministry. The guide draws attention to the practical procedures of running social dialogue institutions, such as appointing the members, electing the officers, organising sessions, and working methods.

Regarding the permanent secretariat, its role and functions need to be clearly specified. As an administrative support institution, the permanent secretariat has the main role in planning the tripartite meetings. It also has to coordinate the agenda and take care of other administrative matters concerning convening and managing meetings. The secretariat should have experienced human, material and monetary resources to function effectively. The size of the secretariat differs substantially across countries. Whether big and small, the budget of the secretariat must be secured. Lécuyer (2001: 19) states that “it is crucially important for the consultation body’s annual budget to be based on a specific budget … that is independent of other budget allocations within the supervisory administrative unit”. The secretariat also has to function as a reliable source of information: not only is it responsible for providing basic background documents for a constructive dialogue, but it should also serve as a reference point for the tripartite institution’s activities. It can do so by disseminating information in the form of position papers, opinions or draft resolutions or tripartite agreements. In addition to informing social partners and the Government, it should raise the awareness of the general public through proper media coverage. The permanent secretariat also has a role to play in the follow-up of agreements and their implementation.

32 For examples from EU accession countries, see Rychly and Pritzer (2003).
33 For more details, see Lécuyer (2001).
CHAPTER 4: BENEFITS OF SOCIAL DIALOGUE

What can social dialogue deliver?

What are the benefits associated with social dialogue? In discussing the benefits of social dialogue, it is important to distinguish between benefits associated with processes of social dialogue and those related to the outcomes of social dialogue. Here we elaborate on the different benefits of social dialogue with illustrative country examples.

Benefits of social dialogue processes

Democratisation of economic and social policy making

Social dialogue is an inclusive and democratic means of policy-making and decision-making. More recently, in many countries, social dialogue in its explicit or implicit form has become part of the approach to promoting economic growth and development. Tripartite economic and social policy-making became a norm in many European Union countries to reach a socially acceptable compromise about the measures needed to meet the requirements imposed by the Maastricht Treaty for participation in European Monetary Union. Social dialogue helped to build social support to implement tough economic policies to meet the convergence criteria of the Treaty. The importance of the participation of stakeholders has been increasingly recognised by the International Financial Institutions such as the International Monetary Fund and the World Bank in their promotion of economic development and poverty reduction.

Box 4.1. South African social dialogue

Social dialogue and partnership with civil society was a pillar of democratisation in South Africa after the apartheid regime. The framework of social dialogue included representatives from the Government, employers’ and workers’ organizations as well as from civil society. In spite of the fragile tradition of social dialogue, the partners achieved notable results, particularly on labour market issues such as job creation. Social partners adopted a far-reaching declaration committing themselves to engage in social dialogue over substantive issues, including the promotion of investment, decent work and development, and the reduction of poverty. Major social and economic reforms have been adopted through a consensus building process. Discussions in institutions such as the National Economic Development and Labour Council (NEDLAC) have successfully brought together all key stakeholders including civil society. Social dialogue in South Africa played a crucial role in ensuring a relatively smooth political and economic transition from apartheid to democracy.

Box 4.2. Case of Panama

In Panama, national social dialogue mechanisms came with political changes in the 1990s, following the first democratic elections after more than two decades of dictatorship and the return of the Panama Canal and Canal Zone from U.S. control. These two events gave rise to two key social dialogue processes, known as the Bambitos and the Coronados. In the National Unity and Development Meetings, known as the Bambito process, consultations between social and political actors were initiated in 1993 in the run-up to the first democratic elections in 1994. This process ensured that a wide range of social actors, such as members of political parties, social partners and representatives of civil society discussed issues of common concern. Discussions centred around economic and social challenges as well as the institutional reforms Panama faced in the transition to democracy. In successive meetings, stakeholders continued discussions on the consolidation and development of the democratic system. The Coronado meetings mainly discussed how different stakeholders could cooperate in the management of the Panama Canal. A series of meetings resulted in the agreement of a draft Bill on the use of the canal. These meetings provided an effective mechanism facilitating dialogue among social partners, other social actors and the Government. They helped to establish a positive climate for, and confidence in, the process of democratisation.

34 See box 4.3. for details.
Benefits of Social Dialogue

In a democratic society, any unilateral action by the State without the consent of the social partners often meets with resistance from them. Unlike the top-down approach, policy-making through social dialogue is regarded as a bottom-up approach. Policies made through social dialogue are more legitimate as stakeholders in society have participated in the policy-making processes and their views are usually reflected in the outcomes. Such policies are more easily accepted as stakeholders have a sense of ownership of the policies that they have jointly developed through social dialogue.

Legitimacy and ownership

Reduce social conflicts by facilitating partnership and a problem-solving attitude

Dialogue can replace adversarial relationships with collaborative partnerships. It can develop a shared understanding of problems, facilitate the discussion of policy alternatives and their implications, and the finding of compromises to achieve common responses (Ebbinghaus 2001). Indeed, it is a widely shared opinion among those involved in social dialogue that policy concertation is desirable as a means of minimising conflict and promoting social peace (Compston 2002c: 318).

Box 4.3. Poverty Reduction Strategy Papers (PRSP) launched by the World Bank and the International Monetary Fund

PRSP is a relatively new approach to development introduced by the World Bank and the IMF to help the poorest of the poor countries. People in recipient countries have often perceived the traditional structural adjustment programmes of the Bank and the Fund as externally imposed and not addressing the country’s social problems, in particular poverty. PRSP has a direct focus on poverty reduction, but it also takes a procedural approach different from the traditional structural adjustment programmes by putting emphasis on the importance of country ownership. The Bank and the IMF emphasise the participation of stakeholders in policy-making processes. However, in most PRSP consultation processes, social dialogue has not become an explicit issue. Although participation in the form of civil dialogue (dialogue between Government and the NGOs) has been achieved in many countries, social dialogue was not practised in most PRSP consultation processes in 2001. The ILO initiated a project to build capacity for effective social dialogue in the PRSP in selected IDA eligible countries.1 The aim of the project is to bring social dialogue to the forefront of stakeholder involvement by direct participation of workers and employers in the PRSP decision-making processes. It aims to improve the quality of the participatory process by enhancing the capacity of social partners to engage in constructive debate through improving their technical knowledge and negotiating skills.

Box 4.4. Social dialogue in Portugal

Social dialogue processes at national level in Portugal did not start until 1984. Following the Revolution in 1974, attempts at dialogue broke down due to the widespread climate of social confrontation and adversarial relations between employers’ and workers’ organizations.

The aim of the CPCS was primarily to integrate the social partners into the political system as a response to political instability and economic recession. Though the creation of the CPCS did not guarantee the smooth functioning of social dialogue, agreements on incomes policy were adopted through dialogue in the CPCS in 1988 and 1990. A new impetus for tripartite social dialogue came in 1996 with a political regime change. Through social dialogue within the CPCS, a tripartite social pact was agreed, signed in January 1996 by the Government, employers’ organizations and one of the trade union federations. The pact covered a wide range of topics including incomes policy, employment policy, social security reforms and regulation of industrial relations. In May 1996, the Government presented a negotiating document to be discussed in the CPCS on a strategic dialogue for the modernisation of Portugal. The document proposed a Social Pact on competitiveness. This initiative resulted in the creation of six working groups for strategic dialogue within the CPCS and led to the agreement of the Strategic Social Pact in 1997.1

1 The International Development Association, IDA, is the World Bank’s concessional lending window. It provides long-term loans at zero interest to the poorest of the developing countries. IDA lends to countries that had a per capita income in 2003 of less than $865 and lack the financial ability to borrow from the World Bank. In 2003, eighty-one countries are eligible to borrow from IDA.

Ease social tensions during economic hardship and transition periods

Social dialogue is a very effective means to ease economic and social tensions during periods of economic crisis or transition. In many EU countries, social dialogue has been effective in coping with tough macroeconomic adjustment in order to meet the Maastricht criteria for entering European Monetary Union. Many Central and Eastern European countries have managed their transition from socialist to market economies through social dialogue. Albania, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Moldova, Poland, Slovak Republic and Slovenia, among others, established tripartite national bodies in the beginning of the transition period. The objective of these bodies was to facilitate social dialogue in order to cope with the economic adjustments associated with the move to a market economy. Over the decade, social dialogue was firmly established in some of these countries and has become part of their economic governance. Social dialogue in the EU accession countries is increasingly regarded as a crucial mechanism to prepare them for full EU membership. It should be emphasised that social dialogue should continue beyond the transition period. The effort of the social partners and the Government to engage in dialogue processes should be maintained once the country is out of the severe economic adjustment phase, so as to ensure the sustainability of the positive outcomes.

Box 4.5. The case of Kazakhstan

Kazakhstan, before achieving independence from the Soviet Union in 1991, did not have a democratic tradition of industrial relations. Since its independence, efforts have been made to promote social partnership at various levels of society. The legal and institutional framework of industrial relations has been laid out and the State and social partners are learning to manage the economy in cooperation. At the national level, there have been discussions and negotiations involving social partners and the State. Kazakhstan became a member State of the ILO in 1993 and has ratified 15 ILO Conventions, four of which are directly related to social partnership. The ratification of these Conventions provided an impetus to tripartite dialogue and led to the adoption of the Social Partnership Act, 2000. The Act provides a legislative framework for social dialogue by defining the form of cooperation between the social partners, the structure of social partnership at all levels as well as principles, procedures and functions of tripartite bodies at national, sectoral and regional levels. It established the National Tripartite Commission (NTC) as a permanent forum of tripartite dialogue. The NTC facilitates tripartite general agreements, which are the legal documents regulating social, labour and related economic relations. It also monitors their implementation. The agreements cover a wide range of issues including implementation of a programme to combat poverty and unemployment, reform of social security, health and safety at work, improved wage payments, as well as dispute prevention and settlement related to labour and social issues. National social dialogue in Kazakhstan is still evolving but has proved to be a relatively effective way to deal with the country’s economic transition and nation building.

35 For details, see Casale (1999), Casale, Kubínkova and Rychý (2001).
Box 4.6. Social dialogue in the Czech Republic

In the Czech Republic, social dialogue at national level developed early during the transition period. The national tripartite Council for Economic and Social Cooperation (RHSD) established in 1990, helped to overcome the most challenging initial period of economic reform and to avoid major social crises.

During 1990-93, the RHSD was active in discussing issues related to economic and social development, labour relations and collective bargaining, employment and labour markets, wage trends, health care, education, and occupational safety and environment problems. Regular sessions were held and discussions at the RHSD became an important part of the decision-making process during this period. A general agreement was reached between the social partners and the Government once a year. Well functioning social dialogue immediately following the transition helped the smooth transformation of the economy without social unrest.

After the election of a new Government in 1992, the dialogue between the Government and social partners deteriorated and social dialogue ceased to function in 1994. The Government argued that economic transformation was already complete and there was thus no reason to continue with tripartite dialogue: it encouraged the shift from tripartite to bipartite dialogue. Finally, it was agreed that tripartite dialogue could continue but in a restricted manner. The new Council for Dialogue between the Social Partners (RDSP) was established in 1995 but it was limited to consultation on industrial relations issues related to labour law, collective bargaining, employment and wages. There was a change in approach in 1997, in response to the deterioration of the economy and the collapse of the Government. The new Government saw the need to seek social consensus in order to be able to adopt unpopular adjustment policies, and took a more favourable approach to social dialogue. It re-established the Council for Social and Economic Cooperation (RHSD), and formally acknowledged the importance of social dialogue in maintaining the smooth operation of a modern competitive economy. Tripartite negotiations again became a significant platform of consultation and information sharing on social and economic issues.

Benefits associated with the results of social dialogue

Social pacts

Social pacts are one of the most visible outcomes of successful social dialogue. In many European countries, social pacts became an important instrument in dealing with the economic and social challenges of globalisation, economic restructuring and monetary integration. However, many countries without a tradition of policy concertation embedded in their political institutions have managed to agree on social pacts, representing consensus among the tripartite or tripartite plus stakeholders, as a result of national social dialogue. The quality of social pacts differs from country to country, ranging from a declaration of intent to a detailed list of policy measures and methods for action through social dialogue. Yet, in some crisis ridden or politically unstable countries or countries without the tradition of cooperative industrial relations, it is to be considered an achievement in itself if one can gather social partners and the Government around the negotiation table and to achieve social consensus, even if it is no more than a declaration of intent.

36 For more details about social pacts in Europe, see the ILO website:  
http://www.ilo.org/public/english/dialogue/ifpdial/sd/social_pacts/index.htm and  
During the 1990s, the Chilean tripartite parties agreed on a series of social pacts. The first formal agreement was signed in 1989 between the Central Unitaria de Trabajo (CUT) and the Confederación de la Producción y del Comercio (CPC). It was the first time in Chile that national confederations of workers’ and employers’ organizations had reached a national bipartite agreement. In the agreement, they expressed a common willingness to undertake immediate efforts to change the confrontational relations which thus far had dominated Chilean industrial relations. The motivation behind this historical agreement was twofold: first, to give stability to democratic transition, and second, to enhance Chile’s economic competitiveness. Both organizations shared the conviction that Government stability was an overarching common interest, since it was critical for the development of the country. This declaration was the first step towards “social peace”. Another motivation concerned the changing perception of social partners on how to deal with external economic transformations — the growing wave of liberalisation and globalisation. A second agreement was signed in January 1990 with the purpose of setting up the framework for a national commission on economic and legal issues regarding labour relations.

This was then replaced by the first tripartite framework agreement in April 1990, signed by representatives of CUT, CPC and the Government (the Minister of Finance, Economy, Labour and Social Policy). The framework agreement was comprehensive, stating the shared recognition of the need for economic development with a democratic and equity perspective as well as the commitment to social peace by all tripartite parties concerned. It also lists concrete areas of action regarding economic development, human resource development, improvements in education, training, social security systems, occupational safety and health, housing for workers, minimum wages, family benefits, public administration and management, reform and enforcement of labour law.

The second tripartite agreement was signed in April 1991. This agreement, which replaced the first agreement and defined the technical criteria to be used to fix the minimum wage, was also signed by the Confederación de la Pequeña Industria y Artesanía (Conupia), another employers’ organization representing small industries and handicrafts. The third social pact was signed in April 1992. This agreement concerned the increase of the minimum wage and family benefits. Conupia did not participate this time. The agreement also established a tripartite commission to study issues such as training of the labour force, occupational safety, unemployment and re-integration of the unemployed into the labour market, information technology, application of labour standards, economic integration and the restructuring of production. The fourth agreement was signed in May 1993 which amended minimum wages and family benefits. Social dialogue in Chile has promoted democracy and social stability. It has established a dynamic of cooperation, replacing the traditionally confrontational style of industrial relations.

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**Box 4.7. Social Dialogue in Senegal and Mali**

In November 2002, a National Charter on Social Dialogue was adopted in Senegal with a view to upgrading the institutional framework for social dialogue. The Charter, which was signed by all employers’ organizations, the major unions and the Government and became effective in March 2003, applies broadly to all sectors of the economy, including the public and the private sector as well as the informal economy. It embodies a commitment to the principles of partnership, good faith, mutual respect and willingness to adhere to agreements, and for the State and employers to guarantee the freedom of association of workers. The Charter lays down a set of respective rules of conduct for each of the three partners — acknowledging in particular labour’s stake in and contribution to business performance. It establishes an institutional framework for dialogue at the national, sectoral and enterprise levels. A tripartite National Social Dialogue Committee is entrusted with the task of conflict prevention and resolution, the encouragement and monitoring of collective agreements and research on ways and means to create an enabling environment for enterprises, including the improvement of terms and conditions of work. Alongside this national body, bipartite social dialogue committees are set up at the sectoral and enterprise levels. The Charter, concluded for an initial period of five years, has been designed as a tool to improve labour-management cooperation by providing an enabling environment for a process of dispute settlement and by building trust among the three parties concerned.

In Mali, a document embodying a national tripartite agreement was adopted in 2001. The Pacte de solidarité pour la croissance et le développement commits the Government and the social partners (with the exception of one trade union) to promote “responsible social dialogue with the aim of encouraging social conditions conducive to economic development”. Setting out a broad policy agenda, it lists a series of measures to improve private sector development and job creation, as well as to improve the situation of public sector employees. Concertation is to take place on a yearly basis through an ad hoc tripartite committee to review implementation of the agenda.

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1 These positive results presented in this box were accomplished through assistance of the PRODIAF project.
Sustainable economic and labour market reform

Social dialogue can facilitate the sustainability of economic and labour market reforms. Having reached consensus, stakeholders’ opinions are reflected in reform agreements and they have an incentive and peer pressure to support what they have already accepted by agreement.

Box 4.9. The “Polder Model” in the Netherlands

In the Netherlands, a system of institutionalised dialogue was established in the post war era. The significance of national social dialogue in the Netherlands had declined in the 1970s, but regained its importance in the 1980s. National social dialogue was renewed in the Wassenaar Accord in 1982. Against the backdrop of economic crisis and increasing unemployment, union and employers’ confederations reached an agreement to freeze wages for two years and suspend the cost of living adjustment. In return, employers agreed to negotiate reductions in working time. The Wassenaar Accord became the precedent for a series of more detailed joint agreements.

A more complex phase of social dialogue occurred in the 1990s, when the Government was planning to introduce a fairer balance between labour market security and flexibility – a concept which became known as “flexicurity”. Unions agreed to a relaxation of statutory protection against the dismissal of permanent workers in exchange for increased protection for temporary workers. There was also a reduction in some welfare benefits that were seen as creating an unemployment trap. The agreement also led to the acceptance of reduced minimum wages to encourage labour market entry for young people. Visser and Hemerijck (1997) argued that the reconstituted social dialogue facilitated widespread support for sustainable economic and labour market reform which contributed to improved labour market performance.

1 Also known as “flexisecurity”.

Bringing the social dimension to the economic policy reform agenda

Social dialogue can integrate the social dimension into economic policy-making. The participation of social partners in decision-making processes on economic and social policy means their demands will be incorporated in policy reform. The Korean example below illustrates how social partners managed to have their interests reflected in policy

Box 4.10. The case of Korea

Faced with the severe consequences of the Asian Financial Crisis in 1997 and the requirements of the programme imposed by the IMF, the social partners and the Government engaged in long and difficult negotiations in order to find a solution to the problems at hand, especially rising unemployment associated with the collapse of the financial system. The outcome of their consultations led to a compromise on the IMF programme, thereby avoiding social unrest and further deterioration of the situation in the country. A subsequent Social Pact (1998) dealt with a wide range of labour, social and economic issues. This included workers’ organisations’ acceptance of wage reductions and a relaxation of the rules regarding the employment relationship. Employers also made efforts in terms of job protection and the recognition of workers’ rights. The Social Pact was extensive and covered all of the national reform agenda and the action programmes for crisis management. This compromise, made in the midst of a deep economic crisis, marked the turning point towards economic recovery of the country. The tripartite dialogue at the national level facilitated the adoption of a set of economic and social measures to cope with the Asian crisis as well as maintaining social stability in a situation of severe economic downturn.

After the crisis period, however, tripartite social dialogue processes were not maintained. Once again, industrial relations became volatile and adversarial. With mounting job losses, workers felt that measures undertaken by the Government were not enough to maintain a minimum living standard for the unemployed. Industrial disputes increased as a consequence. With the recovery of the Korean economy since 1999, unemployment rates have decreased. However, the general mistrust between the Government and social partners remained. The ILO continues to work with the Korean tripartite constituents to assist in the development of viable social dialogue. The immediate objectives are to restore confidence among social partners and the Government and to ensure more effective functioning of the national tripartite social dialogue body.
making and managed to modify a tough macroeconomic structural adjustment programme.

**National economic and social progress**

Successful social dialogue can promote economic and social progress. Comparative studies in Berger and Compston eds. (2002) found that in Austria, Ireland and Italy the social partners and the Government agreed that policy concertation had been economically beneficial. In Austria, all parties involved in social dialogue agreed that social dialogue had positive effects on unemployment and inflation. In Ireland, they agreed that social pact helped to enhance the competitiveness of the Irish economy and facilitated the qualification for European Monetary Union (EMU) with resulting benefits from EMU membership. Similarly, all parties involved in social dialogue in Italy agreed that social dialogue helped in the stabilisation of the Italian economy in order to qualify for EMU membership.

Through social dialogue, stakeholders can bring social issues to the national policy debate. Social dialogue can ensure that economic progress can be achieved without sacrificing social progress. In Ireland, for example, successive partnership agreements have covered a wide range of economic and social issues, including the improvement of living standards and the workplace environment, economic competitiveness, social inclusion and equality. As for social inclusion and equality issues, the Programme for Prosperity and Fairness (2000), for example, addressed issues of income adequacy (introduction of a statutory minimum wage, tax provisions, improvement of social welfare payments) social inclusion of the urban disadvantaged (through local development, the tackling of drug problems, community development programmes), rural poverty (through a local development framework), the housing shortage, pensioner poverty and equal treatment of those socially disadvantaged by gender, disability or social status (such as refugees and travellers). Indeed, comparing earning dispersion statistics and the Gini inequality index in a sample of OECD countries, one can see that countries with the tradition of social dialogue generally have less inequality than those without. Social dialogue can help to bring about a fairer society through participation of a wide range of stakeholders in society.

It is, however, difficult to establish rigorously a quantitative causal relationship between social dialogue and, in particular, economic performance at national level. On the one hand, countries with a tradition of social dialogue such as Austria, Denmark, Ireland and the Netherlands improved their economic performance (Auer 2000). On the other hand, countries without the practice of national social dialogue, such as the United States and the United Kingdom, have achieved good economic growth and job creation in the past decade. More fundamental problems stem from the difficulties of quantifying social dialogue. Rather than controversial quantitative analyses, the benefit of social dialogue can be presented through a qualitative analysis by taking account of cultural traditions and historic-institutional differences.

As Trebilcock (1994: 12) stated, while the economic impact of tripartite social dialogue cannot be easily measured, it can be emphasised that social dialogue ensures a degree of social peace and progress that can set the stage for healthy economic growth. Some evidence that social dialogue helped to revive countries’ economic performances in developed and developing countries is presented in Box 4.11 and 4.12 on the following page.

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37 Gini index is a measure of the inequality of income distribution.

38 For details see OECD (1996, 1997).

39 Such difficulties originate from the following: first, as there is so much variety in the forms, issues addressed and intensity of social dialogue, it is not possible to define a universal proxy variable which can be regressed against economic performance in a comparative econometric analysis. Second, it is difficult to establish a firm systemic relation between economic performance and social dialogue. Good or bad economic performance may be to do with other factors such as the business cycle or investment levels rather than the existence or non-existence of social dialogue.
Box 4.11. Social dialogue and employment revival in Austria, Denmark, Ireland and the Netherlands

After the economic crises in the 1970s and the 1980s, economic recovery and employment growth was achieved in four small open economies in the European Union. The common factor observed among these four countries is the extensive use of social dialogue in managing their economies. Social pacts were agreed in all countries except for Austria, where social partners and the Government cooperated to solve the economic problems through a concerted approach based on wage moderation and a boost in economic competitiveness. Although Austria has a long tradition of social dialogue in policy-making processes, dominated by strong but informal consensus building, their social dialogue does not result in formalised social pacts. Social dialogue was revived in the other three countries during the 1980s and 1990s. Graphs 4.1, 4.2, and 4.3 show the economic and employment performance of these countries over the last two decades. Economic and employment growth of Ireland and the Netherlands are particularly impressive. Both Austria and Denmark had steady levels of economic and employment growth which closely correlated with the EU average growth. Ireland had a drastic decrease in unemployment rates in the 1990s. Over the two decades, all other countries had steady low levels of unemployment rates, much lower than the EU average. Auer (2000) argued that social dialogue in these countries contributed to their employment success through wage moderation, a low incidence of industrial conflict and social partners’ support for sometimes unpopular social security and labour market reforms.

Box 4.12. The case of Barbados

Barbados has had a history of tripartite social dialogue at national level on economic and labour market issues since the 1970s. The introduction of the IMF structural programme in 1991 accompanied by massive retrenchments, compelled social partners to set up the Committee on Social Partnership in 1992. Three successive tripartite agreements – protocols – were signed between 1993 and 2001. The Protocol for the implementation of a price and incomes policy, 1993-95, was designed to get the economy out of crisis through various measures to minimise layoffs and social hardships. The parties agreed to avoid the IMF prescription of devaluation, to focus on competitiveness and productivity, to accept wage freezes until corresponding productivity gains were achieved, and to retain jobs. The agreement facilitated painful political processes to implement difficult economic decisions and to achieve stabilisation and economic growth.

The success of the first protocol was followed by the second, covering 1995-97. Against the backdrop of moderate economic growth, it sought to strengthen the role of social dialogue in addressing economic and labour market issues. The negotiating parties moved away from wage freezes to wage restraints, and focused on increasing international competitiveness through higher productivity. The third protocol, covering 1998-2001, sought to consolidate the perceived gains from partnership in economic and social development. It agreed to maintain a peaceful industrial climate, to reduce income disparities through employment promotion and implement measures on social inclusion.

The periods covered by the protocols are associated with good economic performance: an average annual economic growth rate of 4 per cent, an average inflation rate close to 2 per cent, and a decline in unemployment from nearly 22 per cent in 1994 to 9.8 per cent in 1998. Social partners and the Government acknowledged that the tripartite protocol agreements helped to resolve a major economic crisis. In addition, continuous social dialogue on major economic and social policy issues helped to promote stability and economic prosperity. The Barbados model of social dialogue has become a major point of reference for policy reform processes in the Caribbean region.

Graph 4.1. GDP Growth Rate

Source: European Commission (2002c) Tables 2, 3, 10
**SOME CONCLUDING REMARKS**

This resource book introduced the concepts and forms, objectives, conditions and benefits of social dialogue. In other words, it addressed the following questions:

1. **What is social dialogue?**
2. **What are the conditions necessary for meaningful social dialogue?**
3. **How is social dialogue applied in different countries?**
4. **What can social dialogue deliver?**

The first question was dealt with in Chapter 1 through the definition of the concept of social dialogue and a description of the actors involved. ILO activities promoting social dialogue are also introduced. Chapter 2 answered the second question by presenting a list of enabling conditions as well as discussing the pitfalls to be avoided. There are certain structural prerequisites for social dialogue to take place, such as respect for freedom of association, democracy, an appropriate legal framework and legitimate social partners. Other factors mentioned in Chapter 2, such as cohesive social partner organizations, the Government’s interest in social dialogue, the political will of parties, societal acceptance, technical competence and capacity to deliver, are not necessarily prerequisites for social dialogue to start, but they are conditions necessary for sustainable and successful social dialogue. The third question, how to engage in social dialogue could only be indirectly addressed in this resource book. This is because it is up to each country to develop its own social dialogue regime that corresponds with its existing social and industrial relations. To assist this process, the question is addressed in general terms in Chapter 3, where a typology of the wide variety of forms of social dialogue that exist in practice, is presented. Different configurations of national social dialogue, such as representation, the issues dealt with, as well as the intensity of dialogue and institutional arrangements were discussed. The fourth question is covered by Chapter 4 which discusses the wide range of benefits associated with social dialogue. The country examples in this chapter point out the variety of policy measures. These included monetary and fiscal policies, raising competitiveness by stimulating productivity and encouraging investment, stabilisation of the economy after financial or economic crises, privatisation of state-owned enterprises, reduction or increase in public expenditure for social programmes, introduction of labour market flexibility without eroding basic security, improved management of labour relations and collective bargaining and finally the re-building of the economy and society after political turmoil. The Chapter also explains why the ILO promotes social dialogue. Social dialogue can promote economic and social progress, and facilitate policy reforms which are sustainable both socially and economically. It can replace the adversarial and confrontational relationship between labour and management and bring them to the negotiation table to talk about their common interests. It is a democratic and legitimate way of policy making by taking account of the views of stakeholders in a society. It is particularly effective during economic crises and transition periods to ease social tensions and economic hardship. Stakeholders in society, the social partners with or without other representatives of civil society, can engage in dialogue with the Government to discuss what they realistically can contribute to solve the economic and social problems that their country faces.

Pursuing open dialogue between the Government and social partners is important for a democratic society. Social dialogue is a dynamic process which can be improved continuously, as the country examples given suggest. Institutional building of national social dialogue is important to firmly establish social dialogue as part of political decision-making processes within a country. However, it is ultimately the willingness and the ability of the core tripartite actors, the social partners and the Government, that make social dialogue meaningful and successful.

**Policy recommendations**

**Challenges and opportunities for the Government**

The Government has a crucial role to play in establishing the legal and political environment for national social dialogue. The Government should be democratic and it should ensure the rule of law, by enacting and enforcing the fundamental rights of freedom of association and collective bargaining, and guaranteeing the independence of social partners. The Government should also promote a system of inclusive decision-making by being open and willing to take into account the views of social partners in national policy-making. Such government initiative is particularly important because of its responsibility in setting and implementing economic policies which have wider social implications, such as combating inflation, maintaining economic growth, restoring the bal-
Some concluding remarks

It should trust and recognise social partners as fully-fledged legitimate partners who can make valuable contributions in decision-making processes. It should be open to the challenge of sharing parts of decision-making and regulatory power with the key stakeholders in society. Social dialogue is an important means to promote transparency and good governance in public policy. The Government should also make sure that the outcome of social dialogue, whether recommendations or social pacts, will be translated into concrete policies to be implemented.

Challenges and opportunities for workers’ and employers’ organizations

Traditionally, social partners have played a key role in collective bargaining processes on labour relations issues. Social dialogue at national level defines a relatively new role for social partners in countries without social democratic traditions.

There are certain organizational factors that social partners should work on in order to engage effectively in national social dialogue. First, social partners need to ensure their representative legitimacy, accountability and transparency. In participating systematically in the decision-making processes of national policy, not only the Government but also the social partners should be democratic. Second, their influence in tripartite social dialogue is enhanced if they have broad and cohesive confederations. Fragmentation of workers’ or employers’ organizations reduces their bargaining power and credibility.

Furthermore, there are technical factors which help enhance the social partners’ position in national social dialogue processes. First, it goes without saying that social partners should participate in national social dialogue with an open mind. They should move beyond their immediate interests and think in broader terms. Rather than getting blocked by ideological rifts, they should take a problem-solving approach and try to reach acceptable solutions by compromise. Second, to make serious contributions to national policy discussions, social partners should enhance their understanding of broad economic and social policy issues. Wide national social dialogue requires social partners to be able to engage in in-depth discussions on various macro and micro economic issues, which go far beyond traditional work-related issues.

Challenges and opportunities for all parties

Once the necessary structural and organizational factors mentioned above are in place, the key factor is the willingness of the Government and the social partners to get national social dialogue under way. Trust and respect towards each other as partners as well as a strong commitment to the concept and process of social dialogue will lead to meaningful social dialogue, which can eventually yield positive economic and social outcomes for all concerned.
REFERENCES


Conclusions concerning tripartite consultation at the national level on economic and social policy

1. In the present conclusions, the term “tripartite cooperation” is taken in a broad sense and refers to all dealings between the government and the employers’ and workers’ organizations concerning the formation and implementation of economic and social policy.

2. Tripartite cooperation is not an end in itself. It is basically a means of cooperation among the parties with a view to:

   (a) seeking to promote the pursuit of economic development and those of social justice.

   (b) Reconciling, where necessary, the requirements of economic development and those of social justice.

3. Meaningful and effective tripartite cooperation cannot exist without a market economy and democracy. It can help to sustain the effective functioning of both. Tripartite cooperation can help to sustain the effective functioning of the market economy by dealing with its social consequences. Tripartite cooperation can also help to strengthen democracy by allowing the social partners, who represent important segments of the population, to participate in various ways in the policy formation and the decision-making processes regarding economic and social policy.

4. While in some cases tripartite cooperation has not been as effective as some or all parties would have liked, many different forms of tripartite cooperation in different regions of the world have generally been recognized as being effective. This is true for those forms of tripartite cooperation that occur at the national level and cover a wide range of economic and social issues, for those forms that occur at sectoral, regional and local levels, as well as for those forms that occur at the national level but deal with specific subjects such as occupational safety and health. Since tripartite cooperation involves the social partners in the policy formation and decision-making processes, it has in effect often been a positive means of achieving acceptable compromises between economic and social imperatives. For this reason also, such compromises have the greatest likelihood of being effectively implemented, thus promoting social peace and harmony.

5. Considerable differences may arise regarding, for example, the relative importance of formal and informal tripartite cooperation, the relative importance of bipartite and tripartite industrial relations or even regarding how sharp a distinction the parties wish to draw between the area of competence of the public authorities and that of social partners. However, tripartite cooperation is an instrument that is flexible enough to be adapted to the most diverse situations, provided that all the parties have the firm will to do so.

6. At present, the major challenge of tripartite cooperation is to contribute effectively to resolving the problems resulting in many countries from the exacerbation of economic difficulties and the globalization of the economy, as well as from the structural adjustment programmes that both have necessitated. Given the seriousness of these problems, their solution requires a strengthening of tripartite cooperation at the national or other appropriate levels. One of the roles of tripartite cooperation should essentially be to seek to reconcile the imperatives of social justice with those of enterprise competitiveness and economic development. One should bear in mind that tripartite cooperation should be used not only in adverse but also in favourable economic circumstances.

7. Since the globalization of the economy limits the parties’ capacity to resolve economic and social problems at the national level, international cooperation contributes to the solution of these problems. The main objective of this cooperation should be to minimize the detrimental effects of the globalization of the economy. Despite the main difficulties involved in establishing such cooperation, there is a pressing need to explore the ways and find the means by which it can be achieved.

8. The need for tripartite cooperation to adapt to its environment does not alter the fact that its effective functioning is subject to certain fundamental conditions. Firstly, it is indispensable that there be three distinct parties, independent of one another and exercising different functions. This presupposes full respect for the right to organize as set out in the Freedom of Association and Protection of the Right to Organize Convention, 1948 (No.87), and the Right to Organize and Collective Bargaining Convention, 1949 (No. 98). Secondly, it is essential that the parties be willing to examine problems together and to seek solutions that are mutually beneficial to them and...
to the national community as a whole. This presupposes that all parties are willing to engage in dialogue with a sense of responsibility that allows them to go further than the narrow defence of their own interests.

9. The smooth functioning of tripartite cooperation depends also on the parties being strong enough to carry out their functions effectively. In particular, this presupposes that the organizations of employers and workers are independent, sufficiently representative and accountable to their members; that they are structured so as to be able to make the necessary commitments and to ensure that they are carried out; and that they have the technical capacity to deal knowledgeably with the subjects under discussion. It is equally important that there be a reasonable equilibrium of strength among the three parties. It is recognized that the State has an important role to play in facilitating effective tripartite cooperation.

10. In a number of countries the existence of an enabling institutional and procedural framework is instrumental – and sometimes essential – to the effective functioning of tripartite cooperation and, in certain cases, to the emergence and identification of employers’ and workers’ organizations.

11. The International Labour Organization should use all appropriate means and take all appropriate measures including the following initiatives in order to promote tripartite cooperation:

(a) encourage the ratification and/or the effective application of the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144); the Tripartite Consultation (Activities of the International Labour Organization) Recommendation, 1976 (No. 152); and the Consultation (Industrial and National Levels) Recommendation, 1960 (No. 113);

(b) promote the will of governments, employers’ and workers’ organizations to use tripartite cooperation;

(c) promote tripartite cooperation at the national or other appropriate levels. Its efforts in this domain should above all seek to ensure the fulfilment of the conditions necessary for the smooth functioning of tripartite cooperation.

In this regard, special attention should be paid to gathering, evaluating and disseminating information, raising awareness, as well as offering assistance to strengthen the capacity of governments and employers’ and workers’ organizations to participate effectively in tripartite cooperation.

(d) undertake, in line with the wish expressed by the Copenhagen Summit calling for international cooperation, the very special role that its “mandate, tripartite structure and expertise” bestows upon it. In this regard, it is urgent to explore the ways and find the means by which the International Labour Organization can accomplish this task. The International Labour Organization should in any case strengthen its contacts and develop cooperation with the World Bank, the International Monetary Fund, the World Trade Organization and other international agencies in order to better sensitize them to the social consequences of their action. It should also increase its efforts aimed at convincing the World Bank and the International Monetary Fund of the need to consult social partners nationally on proposed programmes of structural adjustment and to encourage the use of tripartite cooperation in policy formation and decision-making processes. It should also assist the national social partners in the course of such consultations if so required.
Resolution concerning tripartism and social dialogue

The General Conference of the International Labour Organization,

Recalling the Constitution of the International Labour Organization,

Recalling Conventions Nos. 87, 98, 144, 150, 151 and 154, and the Recommendations accompanying them as well as Recommendation No. 113,

Underlining the founding of the International Labour Organization in 1919 as a unique tripartite structure with the objective of "universal and lasting peace",

Reaffirming the importance of the tripartite nature of the International Labour Organization, which is the only international organization where governments and representatives of workers' and employers' organizations can freely and openly exchange their ideas and experiences and promote lasting mechanisms of dialogue and consensus building,

Stressing that among the strategic objectives of the International Labour Organization is the strengthening of tripartism and social dialogue,

Aware that social dialogue and tripartism have proved to be valuable and democratic means to address social concerns, build consensus, help elaborate international labour standards and examine a wide range of labour issues on which the social partners play a direct, legitimate and irreplaceable role,

Reaffirming that legitimate, independent and democratic organizations of workers and employers, engaging in dialogue and collective bargaining, bring a tradition of social peace based on free negotiations and accommodation of conflicting interests, therefore making social dialogue a central element of democratic societies,

Recalling the numerous challenges and opportunities facing the world of work in the framework of ongoing globalization and the importance of strengthening the collaboration between the social partners and governments in order to achieve appropriate solutions at national, regional and international levels and, most pertinently, in the International Labour Organization,

Recalling the essential role of the social partners in stable economic and social development, democratization and participative development and in examining and reinforcing the role of international cooperation for poverty eradication, promotion of full employment and decent work, which ensure social cohesion of countries,

Stressing that social dialogue and tripartism are modern and dynamic processes that have unique capacity and great potential to contribute to progress in many difficult and challenging situations and issues, including those related to globalization, regional integration and transition,

Emphasizing that the social partners are open to dialogue and that they work in the field with NGOs that share the same values and objectives and pursue them in a constructive manner; recognizing the potential for the International Labour Office to collaborate with civil society following appropriate consultations with the tripartite constituents,

Noting the valuable contributions of civil society institutions and organizations in assisting the Office in carrying out its work - particularly in the fields of child labour, migrant workers and workers with disabilities; and recognizing that forms of dialogue other than social dialogue are most useful when all parties respect the respective roles and responsibilities of others, particularly concerning questions of representation;

1. Invites the governments to ensure that the necessary preconditions exist for social dialogue, including respect for the fundamental principles and the right to freedom of association and collective bargaining, a sound industrial relations environment, and respect for the role of the social partners, and invites governments as well as workers’ and employers’ organizations to promote and enhance tripartism and social dialogue, especially in sectors where tripartism and social dialogue are absent or hardly exist:

   (a) invites workers’ organizations to continue to empower workers in sectors where representation is low in order to enable them to exercise their rights and defend their interests;

   (b) invites employers’ organizations to reach out to sectors where representation levels are low in order to support the development of a business environment in which tripartism and social dialogue can flourish.
2. Invites the Governing Body of the International Labour Office to instruct the Director-General to ensure that the International Labour Organization and its Office within existing resources of the Organization:

(a) consolidate the tripartite nature of the Organization - governments, workers and employers - legitimately representing the aspirations of its constituents in the world of work;

(b) continue to this end their efforts to strengthen employers’ and workers’ organizations to enable them better to collaborate in the work of the Office and be more effective in their countries;

(c) enhance the role of tripartism and social dialogue in the Organization, both as one of its four strategic objectives and as a tool to make operational all strategic objectives, as well as the cross-cutting issues of gender and development;

(d) promote the ratification and application of ILO standards specifically addressing social dialogue, as set out in the preamble above and continue to promote the ILO Declaration on Fundamental Principles and Rights at Work;

(e) promote the involvement of the social partners in a meaningful consultative process in labour reforms, including dealing with the core Conventions and other work-related legislation;

(f) carry out in-depth studies of social dialogue in collaboration with the Organization’s constituents with a view to enhancing the capacity of labour administrations and workers’ and employers’ organizations to participate in social dialogue;

(g) reinforce the role and all the functions of the Social Dialogue Sector within the Office and in particular its capacity to promote social dialogue in all the strategic objectives of the Organization, and recognize the unique functions and roles of the Bureaux for Employers’ and Workers’ Activities within the Office and strengthen their abilities to provide services to employers’ and workers’ organizations worldwide in order to enable them to maximize the outcome of the Office’s work;

(h) promote and reinforce the tripartite activities of the Organization to determine its policies and work priorities, and further develop technical cooperation programmes and other mechanisms with the social partners and governments to help strengthen their capacities, services and representation;

(i) reiterate in headquarters and in the field the importance of strengthening the tripartite structure of the International Labour Organization and to ensure that the Office works with and for the constituents of the Organization;

(j) ensure that the tripartite constituents will be consulted as appropriate in the selection of and relationships with other civil society organizations with which the International Labour Organization might work.