Some aspects of social dialogue from an ILO standpoint

Social dialogue as an ILO tenet

The ILO is based on the concept of social dialogue. Promoting tripartite cooperation at the national level on economic and social policy has been a staple of its activity and a principal concern for the ILO ever from its inception. Indeed it is one of its constitutional obligations, since the Philadelphia Declaration of 1944, which is part of the Organization’s Constitution, posits that the ILO has “the solemn obligation…to further…programmes which will achieve…the collaboration of workers and employers in the preparation and application of social and economic measures”. A decade after its adoption of the Declaration on Fundamental Principles and Rights at Work, the International Labour Conference endorsed in June 2008 another major statement of principles, in the form of a Declaration on Social Justice for a Fair Globalization, which strongly reaffirms the universality of the relevance of social dialogue to the pursuit of employment and social policy objectives.

The furtherance of social dialogue thus figures as a strategic objective of ILO programming and one of the four pillars of the decent work paradigm. The aims are to help ensure that tripartite dialogue occurs widely in policy-making, labour law reform and implementation, to assist employers and workers to develop strong and representative organisations, and to build their capacity to influence socio-economic policies.

In 1960, the same International Labour Conference had adopted an instrument on “consultation at the industrial and national levels”, which recommended that measures be taken “to promote effective consultation and cooperation” between public authorities and employers’ and workers’ organisations, and that such consultation and cooperation should aim at the joint consideration of “matters of mutual concern with a view to arriving, to the fullest possible extent, at agreed solutions”. Issues of tripartism and social dialogue were raised again within the ILO in 1996 on the occasion of a general discussion by the International Labour Conference on

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1 Social Dialogue, Labour Legislation and Labour Administration Branch, ILO.
2 along with fundamental rights at work, employment opportunities and social protection. See: ILO (1999)
3 Programme and Budget 2008-09, GB.298/PFA/13
4 Recommendation (No. 113), paragr. 1 (1) and 5 (a)
“tripartite consultation at the national level on economic and social policy”. And in 2002, in a “Resolution concerning tripartism and social dialogue”, the Conference stated 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”. The Resolution invites governments to ensure that the necessary preconditions for social dialogue exist, 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.

What is meant by “social dialogue”?

These discussions in the ILO fora led to a number of conclusions which have generally been accepted by governments and social partners and which have proved useful for internal debates within ILO member States:

- Social dialogue does not supplement but complements classical parliamentary democracy. Allowing large groups in society to participate in the policy formulation and decision-making processes regarding economic and social policy can strengthen and consolidate traditional policy mechanisms. Democracy should not be limited to voting in periodic elections. Social dialogue is flexible: partners may meet whenever it is deemed necessary. But it may also be strategic: aimed at securing long-term rather than short-term gains. On the other hand, social dialogue is fully efficient only in a democracy, in a society which not only professes but also practises basic human rights and freedoms.

- Social dialogue is not in contradiction with the market economy. On the contrary, it can help to sustain its effective functioning by dealing with its social aspects. It may prevent or solve unnecessary and violent social conflicts by achieving acceptable compromises between economic and social imperatives, and it may improve the business and investment environment. It is also an instrument of better productivity and competitiveness.

- Social dialogue is not an end in itself, but rather a tool for dealing with various economic and social problems. The European Union considers it as the driving force behind successful economic and social reforms. Social dialogue is recognized as having special merits in such innovative areas such as enhancing skills and qualifications, modernizing the organization of work, promoting equal opportunities and developing active ageing policies.

- There is no universal model of social dialogue. It is a concept flexible enough to be adapted to the most diverse situations. There is a variety of existing national institutional and legal frameworks, but in general, form is not a sufficient criterion for the assessment of the

5 The following is borrowed from Rychly & Pritzer, pp. 1-2
efficiency of social dialogue: content and impact on real social and economic life are what should be assessed.\textsuperscript{6}

- Social dialogue is not just a form of crisis management. Unfortunately, governments sometimes turn to the social partners uniquely in a situation of economic crisis when they are seeking support for unpopular measures. This approach is fundamentally flawed: dialogue must be based on mutual trust and confidence built up over long years of cooperation in good faith. Therefore, social dialogue should be used not only in adverse but also in favourable economic circumstances.

Coming to definition, various attempts have been made to describe social dialogue concisely but comprehensively. As suggested above, there is no universal model so the universal definition must be of a general nature. A practical definition is that used by the ILO: “social dialogue represents all types of negotiation, consultation and information sharing among representatives of governments, social partners or between social partners on issues of common interest relating to economic and social policy.”\textsuperscript{7}

Some brief remarks on three aspects of this definition should be made.

The purpose of social dialogue (negotiation, consultation or information) differs according to its content and may differ substantially from one country to another. It can be represented as a pyramid: at its base, there will be a wide range of issues on which social partners just exchange information without wishing to influence their respective positions. On a more limited number of issues, the partners prefer to consult each other, with a view to converging their positions. Only a very narrow range of issues is usually subject to real negotiations with a view to reaching an agreement, most frequently in the form of a compromise acceptable to all parties.

The method of social dialogue (bipartism or tripartism) depends on whether the parties prefer the government’s involvement or just meet between themselves. Whereas at industry level, bipartism is the general rule, at national (inter-occupational) level, the government’s involvement is desirable and can even be necessary. In most EU accession countries, for instance, governments were strongly involved since the very beginning of the reforms and were usually also the initiators of tripartite meetings destined to deal with urgent and large-scale reforms. In some countries, social dialogue is extended to include others, such as NGOs and community groups.

Lastly, the content of national social dialogue is first of all dictated by the realities of economic and social life. It may therefore differ according to the needs of society at different stages of economic and social development. Often, however, it has to react to urgent events.

\textsuperscript{6} Social dialogue in its relation to the concept of “decent work” is discussed in Kuruvilla, pp. 1-4
\textsuperscript{7} Ishikawa, p. 3
Conditions for efficient social dialogue

Social dialogue is a mechanism which does not simply exist in a vacuum. Its efficiency depends on a number of objective and subjective factors, both external or internal.

The main condition – and the condition sine qua non – is the strong and enduring political will of all parties involved. By political will is not meant behaviour dictated by pressure of circumstances. Enduring political will must be based on awareness of the potential of social dialogue to contribute to economic and social development. This awareness should not be taken for granted. Commitment to social dialogue, since the concept was first mooted, has been closely related to economic and social crisis.

Besides political will, other conditions for social dialogue should be mentioned, which determine its importance for economic and social life. These are in particular:

• an appropriate political environment, a pluralist democracy in particular, necessary for open political dialogue as well as sharing of basic values by all actors;

• a market economy providing the main stakeholders with a real choice in their decision making (as opposed to central planning);

• a legal framework, especially labour laws, enabling the social partners to negotiate terms and conditions of employment;

• efficient institutions which serve as the “hardware” of social partnership;

• free, independent, sufficiently representative and democratic employers’ and workers’ organizations;

• technical competency among all stakeholders.

A glimpse at some national cases: Europe and Africa

Today social dialogue at the national level has become an important component of good governance in many countries worldwide.8 A brief sample of cases illustrates the fact.

In Europe9, while at the start of the 1990s social dialogue was practised in less than half of the region, in 2008 the large majority of countries at last formally adhere to this governance method, even if its quality and outcomes might be very different from one country to another, and despite numerous remaining obstacles and weaknesses. Unlike in the USA or Japan, social

8 Ishikawa, p.1
9 Thanks are due to Youcef Ghellab and Ludek Rychly, Social Dialogue specialists in the Social Dialogue, Labour Legislation and Labour Administration Branch, ILO, for providing the following information.
dialogue in Europe has developed into a tool that is considered an integral part of governance. On macroeconomic issues, a new generation of so-called Social Pacts has helped devise broad strategies to enhance competitiveness together with social justice, be it in Finland, Ireland, Italy, the Netherlands, or Portugal. On the specifics of labour market problems and employment creation, countries with long-held traditions of concertation, such as Austria, Germany, Ireland and the Netherlands and Scandinavian states have successfully put to use, or re-invigorated, consensus-building mechanisms which have enabled the parties to develop solutions to changing needs and new challenges.

Another example comes from a group of new EU Members States, where national-level social dialogue embodied in tripartite institutions contributed to the \textit{feasibility of economic and social reforms}. During the last decade, these institutions gradually developed from mostly government dominated bodies into more mature organisms, capable of playing roles in discussions and decision-making on various social and economic issues, from labour law modernization to fiscal stabilization or minimum wage fixing. Not surprisingly, their capacity was more frequently used in times when the governments needed support for their austerity measures (Bulgaria, Czech Republic, Hungary and Slovakia). These tripartite councils were quite often targeted by reforms realized or planned by liberal governments (Czech Republic in 1995-7; Slovakia in 2004; Hungary in 1998-1999), but they survived these attempts and today they constitute some of the relatively stabilised factors in industrial relations in this part of Europe. Most of them also played some role in the EU enlargement process itself, as they discussed legislative changes necessary to adopt the European social acquis or were consulted on the process of accession negotiations. Last but not least, they helped social partners to “formulate and articulate specific interests and to improve collective bargaining. In this sense, the symbolic meaning of tripartism showed practical results.”

Another illustrative case is that of the Western Balkans. Over the last 10-15 years, these countries and Moldova have made significant efforts to create the conditions for functioning social dialogue and to make their laws and practices compatible with ILO standards and closer to those prevailing in the European Union.

In most cases, the establishment of the national tripartite councils was initiated by governments as forums in which to exchange information and hold consultations concerning the reforms required by the transition process. The governments remain the prominent, if not dominant, actors in tripartite social dialogue. In consultation with the social partners, they shape the content of the laws/tripartite agreements establishing the tripartite councils, finance their operations, run their secretariats through the Ministry of Labour, and to a large extent determine their agenda and frequency/dates of meetings.

\textsuperscript{10} Summaries of social pacts, mainly concluded in the 1990s in selected Western European countries, are available at www.ilo.org

\textsuperscript{11} Matthes and Terletzki.

\textsuperscript{12} Reference is to the following countries: Albania, BiH, Croatia, FYROM, Montenegro, Serbia and Kosovo as defined by UN/SC Resolution 1244.
In general, it is considered that national tripartite councils have played a useful role, particularly in the beginning of the transition process. They enabled a certain form of tripartite social dialogue and consultations between government and social partners at a time when these countries were going through painful times; they helped social partners to gain national and international legitimacy; they also significantly improved social partners’ access to information and help them to gain experience in the field of social dialogue. In many cases, the national tripartite councils contributed to better balanced labour laws (e.g. Serbia); in others, discussions were held on a national strategy for employment, social protection, OSH matters or equal opportunities (e.g. Albania).

Notwithstanding these achievements, most of the tripartite bodies are still in the early stage of development and do not function as effectively as desired. Some do not meet on a regular basis; in most cases they have not yet established specialised committees or working groups (as foreseen in their regulations), or they lack human, financial or technical resources in order to operate. Social partners also think that in spite of the existence of the national tripartite bodies, they were not effectively consulted before decisions are taken, or that the consultations were mere formalities. or that decisions were not implemented. For 2005 and 2006, focusing on their role in national deliberations on pension reforms, in most cases the social partners perceived the governments’ will to reach out to them as quite limited.

Some countries have been engaged in an important effort to strengthen the functioning of the institutional framework for tripartite social dialogue at the national level, in order to address the abovementioned shortcomings and to improve the image and the functioning of the national tripartite bodies.

Across Europe then there is a shared sense that, in the words of the President of Slovenia, “social partnership is a strategic necessity for effective policy-making”. A brief picture from another region may also bring useful indications. In Africa, the experience of the broad-based social dialogue occurring within the tripartite-plus South African National Economic and Development Labour Council (NEDLAC) since 1995 is well-known. Maybe less so is that of French-speaking Africa, which has made increasing use of the ILO-sponsored “Programme de promotion du dialogue social pour l’Afrique francophone” (PRODIAF). Capacity-building activities have helped turn social dialogue into a tangible reality in over twenty Central and West African countries. An instance is that of Senegal, which adopted in 2002 a National Charter on Social Dialogue with a view to upgrade the institutional framework for dialogue between the

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13 For example, in Albania during the period 2003-2004 the NLC did not meet for a period of 16 months and in 2005 it met only once, thus suggesting a discontinuation of tripartite dialogue between the government and social partners during those years. In FYROM, the ESC meets less than three or four times a year; in Serbia, the ESC experienced a difficult period in 2003 and 2004 a after a promising start in 2002 following the tripartite agreement concluded in April 2002 under the sponsorship of the ILO. In Montenegro, the ESC did not function between 2001, the date of its establishment, and 2005.

14 For example, in Moldova, the Secretariat of the NCCCB has only one secretary and no budget. In FYROM, the SEC has neither secretariat nor resources; in Serbia, the SEC has no premises and only meager resources.

15 Record of Proceedings, ILC 97th Session, 2008

16 See: Papadakis

17 A similar program was developed to support tripartism and social dialogue in Central America, with a view to “strengthening the processes of consolidating democracy” (PRODIAC). See: Villasmil-Prieto
State, private sector employers and the labour movement. The Charter applies broadly to all sectors of economy, including the informal sector. It embodies a commitment to the principles of partnership, good faith, mutual respect and willingness to be faithful 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 - and establishes frameworks for dialogue at each relevant level. A tripartite National Social Dialogue Committee is entrusted with tasks of conflict prevention and resolution, the encouragement and monitoring of collective agreements and research on ways and means to improve the enabling environment of enterprises, including the improvement of terms and conditions of work. The Charter was designed as a tool to improve labor-management cooperation in Senegal by providing the right setting to process disputes and build faith among the three concerned parties.

Mali is another country where a document embodying a national tripartite agreement has been adopted. The 2001 Pacte de solidarité pour la croissance et le développement committed the parties to promote a “responsible social dialogue with the aim of encouraging social conditions conducive to economic development”. Other examples of a functioning collaborative framework for social dialogue include Benin (Conseil National du Travail), Burkina Faso (Commission Consultative du Travail), and the Democratic Republic of Congo (Conseil National du Travail). In Chad, tripartite dialogue has long taken place in the Haut Comité pour le Travail et la Sécurité sociale, but labour unions did express their support for the long-awaited setting up of the Economic and Social Council. The Niger formula combines a Commission Consultative du Travail with a quadripartite Commission Nationale de Dialogue Social.

The principal functions of social dialogue are “all rooted in acceptance of the participative mechanism as desirable in its own right”\textsuperscript{18}: information-sharing; consultation, negotiation, dispute resolution, and joint decision-making - all are obvious ingredients of democratic legitimacy and have thus been recognized over the last two decades as bearing significant relevance for the democratisation processes at work within African polities.

Dialogue: civic and social

“Corporatist concertation” and the continued relevance of “democratic corporatism” as a successful system of governance are of course the subject of recurrent debate, with “public choice” and “corporatist” proponents on each side of the fence.\textsuperscript{19} Thus it has been asserted that “new mechanisms of representation security are needed at every level of policy-making”.\textsuperscript{20} However, there appears to be a generally shared sense that “there seems to be no real alternative to a dialogue between social actors in order to have some governability in the economy and this basic principle could apply worldwide”.\textsuperscript{21} Accordingly, neo-corporatism “could serve as a model for governance, if the political prerequisites (e.g. strong and equal partners, an openness and a will to discuss problems and to let the social partners participate in decision making, as well as

\textsuperscript{18} Fashoyin, p. 346 sq.
\textsuperscript{19} Kenworthy and Kittel, pp. 12-13
\textsuperscript{20} Economic Security … p. 331
\textsuperscript{21} Auer (2003) p. 56
institutions of the dialogue) are at least partially met”.22 The sense here is that it is “not per se a superior form of governance of labour market and social policy issues: its efficiency is dependent on certain conditions”.

The idea of extending tripartite cooperation to other social groups besides employers and workers is not a new one.24 Some of the major advisory bodies have for many years included the self-employed, for example in agriculture and crafts, representatives of groups such as cooperatives and family associations, or independent members acting in their capacity as experts or representing the general interest. However, there has been since the beginning of the post-communist 1990s a renewed interest in seeking the involvement of civil society in designing and implementing national economic and social policy. The Programme of Action of the 1995 World Summit for Social Development advocated this stance in the most explicit fashion. So did, for instance, UNDP in its successive Human Development Reports. And of course the new aid paradigm embodied in the donor community’s poverty reduction strategy approach has claimed to value civic participation in pro-poor policy processes for a variety of motives, including effectiveness, ownership, government accountability and the building-up of democratic practices.

That “the enlarged agenda of trade unions requires a closer alliance with other civil society groups”25 has not been lost on the labour movement, as evidenced by the 2000 ICFTU Congress Resolution on “Trade Unions, NGOs and Tripartism”, which offers a valuable summing up of the desirable nature of the relationship between social and civic dialogue, a relationship that must strengthen the democratic practices of today’s polities rather than risk to undermine them:

“Strong tripartite structures extend and deepen democracy, politically, economically, and socially. In countries with such traditions, the rest of civil society has more of an opportunity to participate in the public debate and have an impact on policy because of the limitations imposed by tripartism on arbitrary power of both governments and employers… Tripartism needs to be strengthened and extended. It is well established in only a relative handful of countries. It is important that governments do not try to weaken tripartism by bringing other elements of society into existing or new tripartite structures. In the long run, such actions will weaken all elements of civil society and democracy itself. Instead, governments should increase their engagement with all of civil society to enrich the public debate and improve public policy decisions.”

Similarly, in the above-mentioned “Resolution concerning tripartism and social dialogue”, the International Labour Conference noted 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”. Indeed, the social partners are open to dialogue and work with civil society organisations that share their values and objectives and pursue them in a constructive manner. Innovative partnerships and the ways and means to reach common

22 Auer (2003) p. 56
23 Auer (2001) p. 8
24 See ILC 83rd Session (1996) Report VI, Tripartite consultation at the national level on economic and social policy, pp.32-33
25 Schmidt, p.193
understanding of joint problems among various stakeholders in participative democracy are by now well documented, and the concept and practice of “alliances” has done much to help social and civil dialogue coalesce for their common benefit.26

**Further merits of social dialogue**

Finally, two added merits of social dialogue mechanisms may be mentioned here, which relate respectively to two aspects of policy-making. One is the fact that promoting participatory governance is tantamount to discouraging top down, technocratic methods of governing. It means, rather, encouraging accountability and the exercise of basic rights, such as freedom of association. Adopting, or sticking to, the path of social dialogue may thus ensure that blind reliance on technocratic policymaking be avoided and a measure of democratic control ensured.27 Conversely, the case can be made that a division of labour can be sustained between the realm of politics and the sphere of economic and social negotiation between social actors: the latter has often been known to resent the overweening presence of the state and the excessive weight of politics the (“survalorisation du politique”) which it embodies and sometimes perpetuates to the detriment of the necessary coexistence of social and political democracy.28

The other merit relates to the never-ending quest for policy coherence. Improving the coherence of global social and economic policies is a widely acknowledged, if stubbornly elusive, goal, with practitioners of multilateralism being only too well aware that “the roots of the problem of global policy coherence lie at the national level.” This set of problems indeed offers a further argument in favour of national dialogue mechanisms: as acknowledged by the World Commission on the Social Dimension of Globalization, “unless action is taken at the national level to achieve policy coherence through cabinet, parliamentary and public discussions of global economic and social issues, there is little hope of major improvements in global policy coordination. National Economic and Social Councils, which exist in many countries, with membership drawn from governments, business, labour and civil society, can play a particularly valuable role in this process.”29

**Final remarks**

To sum up, there is today wide agreement, backed by persuasive achievements, that “social dialogue is an important component of good governance, and an instrument for participation and accountability.”30 Successful endeavours and experiments have enabled the ILO constituents to keep stressing that social dialogue and tripartism are “modern and dynamic processes”, with a “unique capacity and great potential to contribute to progress in many difficult and challenging situations and issues, including those related to globalization, regional

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26 See: O’Donovan et al.
27 See: UNRISD
28 Notat, p. 145, and Seillieres, p. 141
29 *A fair globalization*, paragr. 539
30 Ibid., paragr. 240
integration and transition”. Only by recognizing and bringing together legitimate yet by nature divergent interests can consensus be reached on specific issues, through sincere and respectful dialogue, and genuine progress be made.

This common conviction explains the closeness and complementarity of the values, structures and methods of the ILO and the International Association of Economic and Social Councils and Similar institutions (IAESCSI), as well as the support of the IAESCSI and the Economic and Social Councils for the Decent Work Agenda.

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31 ILO/GB.286/WP/SDG/3, paragr. 6
32 See: Address by the ILO Director-General to the General Assembly of IAESCSI, Seoul, 15 September 2006


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