



STRENGTHENING THE
SOCIAL DIALOGUE

CUSTOMIZATION PER COUNTRY
AND PER SECTOR



DUTCH EMPLOYERS COOPERATION PROGRAMME

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1. INTRODUCTION

The Dutch Employers' Cooperation Programme (DECP) is an initiative of the Dutch employers' organisation VNO-NCW and the Dutch Ministry of Foreign Affairs. DECP focuses on strengthening employers' organisations in emerging countries. The goal is to contribute to sustainable economic development worldwide through improved social dialogue.

Every country is different. This is also true for any form of social dialogue. This is why DECP does not present a blueprint for the way in which social partners in countries and sectors should organise the social dialogue, but offers inspiration to explore the possibilities for a dialogue and to get started with it. The focus is not so much on the content, but on the organisation and strengthening of the dialogue process and the negotiating skills of the participants in that process.

In the early years, DECP mainly focused on the social dialogue at national level, but in recent years the need for support focused on the dialogue at sectoral level has also increased. There are several reasons for this. The first is that the social dialogue at national level often requires deepening and concretisation at the sectoral level. Secondly, it is precisely the sectors that face major challenges, for example when it comes to increasing the sustainability of value chains and tackling risks such as child labour. Finally, a strong dialogue at sectoral level increases the legitimacy of the sector and the relevance of the sector organisation. For this reason, DECP now also focuses on advice and training aimed at sectoral consultation between trade unions and employers.



2. SOCIAL DIALOGUE: WHAT DO WE MEAN BY IT?

Social dialogue is a broad term. The social dialogue is about everything that has to do with work. It starts with two or more parties who look at an issue from a different perspective and want to find a solution together. The dialogue is a way of dealing with opposing or at least divergent interests. Social dialogue is often accompanied by highs and lows; the trick is to keep talking to each other precisely in the most difficult situations.

According to the International Labour Organisation (ILO), social dialogue includes “any form of negotiation, consultation or exchange of information between representatives of governments, employers and workers on economic and social policy matters of mutual interest”. Social dialogue thus encompasses much more than negotiations about wage increases and working conditions. Important themes include productivity, safety, environment, competitiveness and the future of work.

Bipartite or tripartite consultation

Social dialogue requires structural and constructive consultation. It can be a consultation between two parties: employers and employees, or between three parties: employers, employees and government. Bipartite or tripartite, in other words. Some issues are best solved in a tripartite dialogue, others better in a bipartite dialogue. If the social partners reach an agreement together and present it to the government, it is difficult for the government to ignore it.

National, sectoral and company level

Social dialogue takes place at national, sectoral or company level.

- **National level:** partly tripartite, partly bipartite. The role of government is greatest at the national level. The dialogue covers issues such as employment, working conditions, safety and health.
- **Sectoral level:** usually bipartite. Not all issues can be resolved at the national level, and there are also specific issues that arise in specific sectors. In this case, a social dialogue at sectoral level is most appropriate. The parties involved resemble each other and face the same challenges; they are colleagues, but often also competitors. Themes at this level include export requirements and quality guarantees, but also increasingly themes focused on sustainable development and addressing risks (due diligence) in value chains, such as living wages, working conditions, human rights, child labour and biodiversity.
- **Company level:** a bipartite dialogue between the employer and the employee representation or works council of a company. Topics include terms of employment, working conditions, training and education.

Conditions for social dialogue

There are two conditions for a good social dialogue. The first is *trade union freedom / freedom of association*. Parties representing employers' and employees' organisations must be able to act autonomously and without coercion. They must have the scope to take decisions independently at company, sectoral or national level. If a country has no trade union freedom or freedom of association, no real social dialogue is possible.

The second condition is a *constructive attitude*. The parties must really want to resolve the issue/conflict. This requires an attitude of mutual respect, equality and trust. The conflict may run high, but the partners will stay in contact and try to find a solution until they have reached agreement. Forcing dialogue is not conducive to a constructive attitude.

3. WHAT IS THE POINT OF SOCIAL DIALOGUE?

Social dialogue is about sharing information and understanding each other's points of view and perspectives. From a relationship of mutual understanding and respect, they gradually arrive at a win-win situation. Of course, the agreements made are influenced by the existing power relations, but they have come about in a process of dialogue.

Own and shared interests

The parties who opt for social dialogue at national or sectoral level do so because they consider it important and valuable to engage in dialogue. Dialogue is a collective interest. At the same time, the parties also have a well-understood self-interest. The dialogue often creates a win-win situation compared to a situation in which the parties do not consult each other.



Bipartite dialogue, often at sectoral level, works best when employers and employees have the will to reach a solution together. But some pressure (not coercion) from outside can help. If the parties are challenged to enter into dialogue, the outcome may be better for both parties than they had expected. For employers, dialogue provides peace of mind and satisfied employees. Satisfied employees perform better. For employees, the dialogue provides greater security and better employment and working conditions. And when trade unions and employers' organisations reach an agreement together, they are in a strong position to lobby the government.

Tripartite dialogue involves employers, employees and the government. These consultations often take place at national level. The government can also be the inviting party. All parties involved have their own and common interests.

- The government has an interest in giving space to the actors in the socio-economic field and in hearing their voices. Employers' organisations and trade unions represent important groups in society and have specific knowledge. This makes it useful to involve them in policy choices and decisions. The dialogue with the social partners is part of the democratic process, in the run-up to a decision by parliament. A difficult decision taken together with the social partners has more support in society.
- The social partners, for their part, have an interest in influencing government policy through the tripartite consultation process. They know from experience what the problems are and where laws and regulations hurt. They know what is needed to give entrepreneurs and employees the opportunity to make a difference. Moreover, if the social partners agree on something together, they are in a strong position in the tripartite consultation. It is difficult for the government to avoid an agreement with the social partners.

4. DIALOGUE AT SECTORAL LEVEL: WHO IS INVOLVED?

Consultations at sectoral level may involve both the central employers' organisations and individual sector organisations. This depends in part on the subjects under discussion and the agreements made.

Sometimes agreements made have to be brought in during consultations with the national government, sometimes in consultations with the regional government. It also depends on how organisations want to present themselves. An employers' organisation or branch association that presents itself as a discussion partner for trade unions and the government strengthens its position and relevance, also in the direction of (potential) members.

In many countries the social dialogue at sectoral level is supported by legislation and regulations. Many countries have a generally binding declaration. This means that if an agreement has the support of the majority of employers and employees in a sector, the agreements come into force for the entire sector. This discourages *free-rider* behaviour and creates a *level playing field* for the entire sector.

5. EXAMPLES OF SECTORAL ISSUES AND APPROACHES

In practice, many issues arise at the sectoral level. Below, five examples illustrate the issues that arise and how they are dealt with in a social dialogue at the sectoral level. We also give examples of sectors and countries where this method has been successfully applied. Time and again, social dialogue has been shown to strengthen the trust between social partners and the government.

I TACKLING SCARCITY OF PERSONNEL

Issue: A sector is having difficulty recruiting and retaining well-trained, well-qualified employees. Companies bid against each other to bring in better skilled workers. Large companies are the winners. Smaller companies are at risk of going under because of rising wage costs, which leads to the disappearance of local employment. The problem is put on the agenda for a social dialogue at sectoral level.

Sectoral approach: Both employees and employers seem to have many ideas on how to improve the inflow of personnel. For example, the sector can be made more attractive through training and lifelong learning. The sector is going to make an inventory of the need for education and training among companies and what the financing possibilities are.

Many European countries, as well as emerging countries such as Brazil, Ghana, South Africa, Kenya and Bangladesh, have a sectoral approach focused on skills development. In many sectors, *skills development* is embedded in collective agreements and permanent institutions. Examples include lifelong learning rights, sector-specific training, internships, programmes for the unemployed and vulnerable groups and the necessary financing options. In many sectors, quantitative and qualitative information is also collected on the development of the sectoral labour market.

More examples? Look at www.theglobaldeal.com, Flagship report 2020, § 2.2.6 *Social partners' views on their ability to promote lifelong learning and skills development via social dialogue*

II IMPROVEMENT OF WORKING CONDITIONS

Issue: Sectors and companies are increasingly confronted with international requirements in the field of human rights, labour conditions and environment. If companies fail to meet these requirements, they will lose customers. This requires (sectoral) investments in certification processes and compliance. For example, companies must demonstrably comply with the obligation to improve working conditions, as agreed in multi-stakeholder initiatives such as [Fair wear foundation](#) or [amfori bsci](#). The theme is submitted for a social dialogue at sectoral level.

Sectoral approach: The dialogue between employers and employees discusses the problems surrounding certification. The costs of certification are high. Moreover, there are many different certifications and quality marks, so that companies can no longer see the wood for



the trees. Are there other ways to demonstrate that companies meet the requirements? Is it possible to create a more uniform system of certification and quality marks? The sector has been commissioned to conduct research into this.

The ILO-projecten Better Work in the garment industry in Southeast Asia have the objective (among others) of harmonising the various certification systems and thereby making certification simpler and more accessible for businesses. (www.betterwork.org)

III MEASURES AGAINST SMUGGLING

Issue: The textile industry in a South American country is badly affected by textile smuggling from East Asia. This puts increasing pressure on the prices and quality of domestically produced textiles. Companies want the government to intervene.

Sectoral approach: The textile sector wants to bring textile smuggling to the government's attention. However, the minister concerned is not open to discussion. The sector's board raises the problem with the textile trade union. The trade union recognises the problem: if the textile companies go under, many employees will lose their jobs. The boards of the trade union and the sector together decide to approach the minister. The minister cannot ignore this request.

This problem exists, for example, in Bolivia. The employers' organisation and regional trade unions are jointly trying to persuade the government to take measures to combat smuggling.

IV HARMONISATION OF WORKING CONDITIONS

Issue: Companies in the agribusiness sector in one country negotiate their employment conditions individually. Because each company does this separately, everyone spends time and energy on it. There are many discussions about many small issues, each company comes to a different solution and develops its own HR policy. Companies need an unambiguous system to which they can refer. The subject of harmonising employment conditions is discussed during a social dialogue at sectoral level.

Sectoral approach: Employers and employees agree that competition on employment conditions between companies is undesirable. Agreements are made during consultations to harmonise the most important employment conditions, in the form of a framework agreement or collective labour agreement. Collective bargaining not only saves companies a great deal of time and effort, but also leads to an average and moderate improvement in pay and employment conditions. A win-win situation for all parties. The sectoral framework also provides agreements about the implementation of the agreements and about solving possible interpretation problems. *Mediation* may also be used. In this way, conflicts and strikes are prevented or limited. The result is social stability and calm.

In the agro-business sector in Ghana a framework agreement on labour conditions is being developed, which does not yet include wages. In the flower sector in Uganda there is a sectoral dialogue on working conditions, which also deals with wages. The tea sector in Malawi has already concluded several collective agreements on working conditions.

V TRANSFORMATION INTO A SUSTAINABLE SECTOR

Issue: A sector produces raw materials/products that are harmful to the environment and biodiversity. The sector sees the need to change. However, the new vision of the future requires a transformation of companies, with major consequences for the people who work there. What are the possibilities, what is needed to make the sector more sustainable and how can the employees be included in this?

Sectoral approach: Representatives of employers' and employees' organisations meet to discuss the future of the sector. They develop a joint vision of the future in which the challenges for the sector and possible directions for solutions are identified. Government support is needed to enable the transformation to a sustainable sector. The social partners will discuss this with the national and regional government. The dialogue at sectoral level enables the social partners to take a joint look at the long term and develop a sustainable vision of the future. Individual companies often do not have the time or the resources to do this.

In many countries and sectors the transition to sustainability is an important topic in the social dialogue. For example, the future of the sector is currently under discussion for the flower sector in Uganda, the tourism sector in Nepal, the cashew nut and cotton sector in Benin and the cocoa and coffee sector in Togo.



6. STARTING THE SOCIAL DIALOGUE | THE DECP APPROACH

DECP provides training in setting up and organising social dialogue as well as training in consultation and negotiation skills. Several activities and instruments have been developed for this purpose.

- **DECP method for sectoral social dialogue**

DECP, together with its international partners, has developed a method to set up and implement social dialogue. This method is continuously supplemented and improved on the basis of *best practices*. The first step in setting up a social (sector) dialogue is to build up trust between the parties involved. This starts with a discussion about motives, issues and objectives. The aim is to ensure that the parties can trust that agreements made will be kept. This is why each phase of the process is evaluated and ratified with a Go/No Go decision.

- **Training in consultation and negotiation skills**

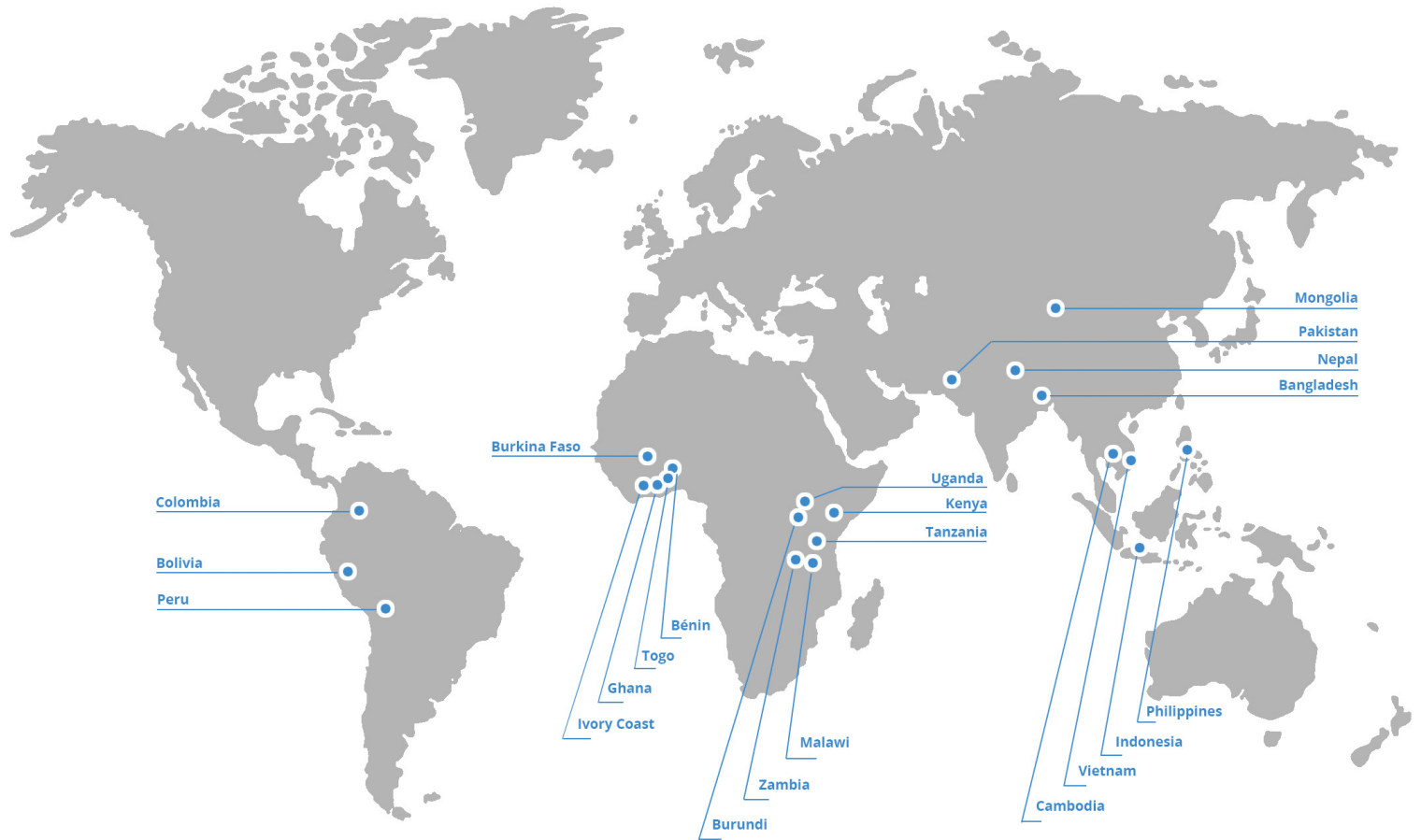
DECP has extensive experience with training in consultation and negotiation skills in many countries. Participants learn to negotiate successfully and to work towards win-win situations. In addition, they are trained to be negotiators themselves in companies and sectors. The principles of the negotiation method used by DECP have been shown to work in all countries and all cultures (see also the DECP publication: [The Art of Negotiation, based on enduring industrial relations](#)). The training courses contribute to the sustainability and effectiveness of social dialogue.

- **Cooperation with Mondiaal FNV and CNV Internationaal**

DECP works together with the Dutch trade union parties Mondiaal FNV and CNV Internationaal in various countries. The training courses are given jointly to all of a country's business and employers' organisations. DECP supports the entrepreneurs' or employers' organisations, the employees' organisations are supported by Mondiaal FNV or CNV Internationaal. This '2x2 approach' has proved to work very well. The fact that employer organisations and trade unions are preparing together for a constructive social dialogue inspires a great deal of confidence. The Dutch polder model serves as an example in this respect. Thanks to this model, the Netherlands has overcome many social challenges - at national and sectoral level. By propagating this together as DECP and trade union organisations, enthusiasm for this form of cooperation is also generated among social partners in emerging countries. An example is Indonesia, where DECP and CNV Internationaal have managed to enthuse the palm oil and textile sectors to take the first steps towards a social dialogue. Another example is Peru, where the Peruvian social partners, with the support of DECP and Mondiaal FNV, have set up a Labour Foundation inspired by the Dutch model.

Want to know more about social dialogue support by DECP, our trainers, activities, trainings and the countries where we operate? Please visit www.decp.nl or send an email to: Info@decp.nl

COOPERATING WITH 22 PARTNER ORGANISATIONS FOR A BETER BUSINESS CLIMATE



DUTCH EMPLOYERS COOPERATION PROGRAMME

The Dutch Employers' Cooperation Programme (DECP) is an initiative of the Dutch Ministry of Foreign Affairs and employers' organisation VNO-NCW. DECP strengthens employers' organisations in emerging countries so they can improve local business climate. DECP does not provide funding, but offers advice, workshops and networks. A team of (Dutch) experts works together with employers' organisations in 22 countries in Africa, Asia and Latin America. Join us at DECP.nl.



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