

The Potential of Social Dialogue

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Social dialogue is integral to the industrial relations systems. Tripartite labour advisory bodies are common features of the system of industrial relations in the Caribbean both through legislation and practice since colonial times. They were established to deal largely with national labour policy including the regulation of wages, labour legislation and dispute resolution. It provided the opportunity for labour and management to express their views, and they are now discussing macro-economic and social issues.

Social dialogue on economic and social matters involving the governments, the representatives of trade unions and of employers' organizations, and civil society within Caribbean States, is emerging as a matter of priority, and several attempts are being made to engage in social dialogue to forge national, sectoral and enterprise agreements beyond the confines of the traditional collective bargaining.

The ILO and Social Dialogue

Effective social dialogues are premised on strong tripartite organizations to facilitate sustained higher-level dialogue. This is re-affirmed by Juan Somavia, Director General of the International Labour Organization in the following statement:

there is no influential social dialogue without strong employers' and workers' organizations; there is no effective tripartism without strong labour ministries and strong labour administrations.

The ILO since its establishment in 1919, set the pace, standard, and example in tripartite deliberations in social dialogue resulting in the development and adoption of the international labour code of Conventions and Recommendations; and their ratification, implementation and monitoring through the ILO supervisory machinery. Such tripartite deliberations also produce international declarations and resolutions. One such resolution was considered by the 90th Session of the International Labour Conference in 2002, which adopted a resolution concerning tripartism and social dialogue. The resolution affirms:

- that social dialogue and tripartism have proved to be a 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;

- the importance of strengthening the collaboration between the social partners and governments in order to achieve appropriate solutions at the national, regional and international levels; and
- 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.

This resolution of the International Labour Conference invites governments to ensure that the necessary preconditions exist for social dialogue, and also calls on governments and workers' and employers' organizations to promote and enhance tripartism and social dialogue in all sectors. The ILO defines social dialogue:

... to include all types of negotiation, consultation or simply the exchange of information between, or among representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.

The foregoing resolution recalls ILO Convention No. 144 – *Tripartite Consultation (International Labour Standards)*, 1976. This Convention requires effective and meaningful consultation among the representatives of government, employers and trade unions on international labour standards and related matters. Specifically, under this Convention, tripartite consultations are required on:

- items on the agenda for the annual International Labour Conference;
- consideration and submission of ILO Conventions and Recommendations to the competent authority with appropriate recommendations;
- re-examination of Conventions, and Recommendations for appropriate action;
- reports on ratified Conventions, and other reports to the ILO; and
- proposals, if any, for denunciation of ratified Conventions.

Tripartite consultation is integral for an effective system of Labour Administration and Social Policy as required by ILO Convention No. 150 on Labour Administration, 1978. This Convention provides for an effective system of labour administration whose functions and responsibilities are properly coordinated with the participation of workers and employers and their organizations. The functions and responsibilities include: national labour policy and labour standards; industrial and labour relations including social dialogue and tripartism; labour and OSH inspections; employment, manpower planning, and employment services; research, labour statistics, and HRD; and regional and international affairs.

CARICOM and Tripartism and Social Dialogue

The principles of tripartism and social dialogue have been enshrined in the principal instruments of CARICOM as policy commitments to be adhered to by Member States as follows:

The Revised Treaty of Chaguaramas Establishing The Caribbean Community, Article 73: Industrial Relations, requires the Council on Human and Social Development to promote:

- tripartite consultations among governments, workers' and employers' organizations; and
- the awareness of the requirements for collaboration of employers and workers for increased production and productivity in Community enterprises.

Charter of Civil Society for the Caribbean Community, adopted by a resolution which was signed by Heads of Government in February 1997, is an expression of the commitment of the Member States to observe the provisions of the Charter including workers' rights (Article xix); and affirms that :

The States undertake to establish within their respective States a framework for genuine consultations among the social partners in order to reach common understandings on and support for the objectives, contents and implementation of national economic and social programmes and their respective roles and responsibilities in good governance.(Article xxii)

Declaration of Labour and Industrial Relations Principles on Consultation and Tripartism, states:

The Member States undertake to promote collective bargaining, consultation and tripartism as essential elements of the system of industrial relations in the CARICOM region (Article 43):

The Member States shall employ their best endeavours to consult with the Social Partners in establishing the relevant principles and policies to be applied in conditions and situations of financial stringencies.(Article 44)

Potential and Initiatives in Social Dialogue

The enormous potential of social dialogue to improve the social system and contribute to the creation of an inclusive national community must be tapped. The realization is that social dialogue, can, in good faith, promote national, social and political stability, and a more just society. The involvement of government and the social partners and civil society in national decision-making can promote greater consensus and contribute to national development, stronger democracy and good governance, which is expressed in representative inclusive participation, transparency in national policy implementation in a credible manner, and strict accountability to the national community.

Social Partnership in Ireland and Barbados

While there are many obstacles and challenges relating to information sharing, mutual trust, political will, leadership and national vision, Caribbean States are impressed by the achievements of social accords of Barbados, which drew from the successful model of social partnership from Ireland. The institutionalized national consultation resulted in the transformation of the then declining economies of Ireland and Barbados to ones of steady growth. Barbados is the pacesetter on national dialogue and consensus, and stands out as a Caribbean country which has successfully negotiated and concluded five tripartite protocols on Prices and Incomes Policy and Social Partnership, since 1993. These protocols receive parliamentary endorsement consequent upon negotiations.

Accords of these types can offer examples of new possibilities for national development strategies for the Caribbean. It is for the governments of the region to concede with maturity in forging genuine dialogue by involving not only the established social partners of representatives of the trade unions and the employers, but the parliamentary political parties, and representative interest groups in civil society. This means governments sharing governance through pertinent information and joint decision-making on an agreed agenda in institutionalized, consultative negotiations and constructive engagements.

Social partnership can transform a debt-ridden, stagnant, declining economy to one of success in growth, higher employment, and industrial stability as demonstrated in Ireland and Barbados. It can result in a paradigm shift in industrial and social relations from adversarial approaches and confrontation to one of consensus and cooperation. The essential objectives of wider social dialogue on social and economic issues are to achieve national economic recovery, social progress, industrial stability, competitiveness, new investments, employment creation, decent work, prosperity, and social justice.

Other Initiatives towards Social Partnership

Other initiatives towards social partnership have been taken in the following countries:

Jamaica. Jamaica, through its *Sectoral Agreements*, demonstrates commitment to the principle of social partnership pursued in bi-lateral and tripartite encounters. These resulted in Memoranda of Agreements in the bauxite, banana, water, shipping industries, and public services for the pursuit of strategies aimed at fundamental transformation in employment relations and to forge greater consensus at the enterprise level. These agreements are also influencing positively corporate social responsibility, human resource development, productivity, competitiveness, and investments.

In February 2004, representatives of the Government of Jamaica and the

Jamaica Confederation of Trade Unions entered into a *Memorandum of Understanding for the Public Sector* in the national interest. The public sector embraces central and local government, and all other Government entities, commissions, companies, corporations, institutions, and statutory bodies. The aim is to address the prevailing high debt in relation to the GDP, fiscal deficit, low economic growth, and low employment creation in a combined effort by the parties to restore national economic growth. The parties recognize the need for improved labour-management relations, and the pursuance of policies and strategies for sustained growth and development of the public sector in particular and the country in general and accordingly agreed on a general policy of:

- ← • wage restraint in the public sector for the period 1 April to 31 March 2006;
- ← • employment constraint with certain exceptions; and
- ← • expenditure restraint.

The memorandum also requires the Government to pursue complementary fiscal and monetary policies to sustain real economic growth over the medium to long term. The parties are further committed to the development of a modern, efficient public sector, adequately staffed, properly equipped, and suitably rewarded.

St Vincent and the Grenadines. The incoming Government in 2000, based on its declaration that the time for a social pact and productive social partnership was a strategic imperative to manage globalization, established a broad-based multipartite *National Economic and Social Development Council* (NESDC) to provide advice on an on-going basis in genuine consultations, and as an exercise in good governance in the management of the resources of the country. This body has been established by law - Act No. 29 of 2003.

It has also appointed a tripartite committee on the economy to address crisis management, review wages, prices, investment, employment and productivity issues to improve the country's competitiveness. The government has further provided financial resources and personnel to cover the costs to enable the effective functioning of the Council and the Committee. The work of these two bodies continues to inform national social and economic policies.

Suriname. Suriname's *Joint Labour - Management Declaration, 1999* affirms the need for constructive engagement on socio-economic matters, and measures to stimulate the private sector.

In 2002, the Government established a high level National Tripartite Consultative Body comprising of six Ministers, and six representatives each of trade unions and employers' organizations to consider policy matters. In 2004,

the National Assembly, by legislation, established a national, tripartite Social and Economic Council (SER) to advise the government on macro-economic and social issues through dialogue and consensus. The objectives are to promote social peace and stability, social justice and economic growth.

Curacao. Curacao in its *Vision Curacao 2020*, (September 1999) the social partners are jointly endeavouring to develop social partnership for synergies among the social interest groups for improvement in education, sustainable economic and social development, new investment climate, good governance, and the creation of a modern state. The identification of core values, priority issues, and annual benchmarks for review and evaluation, are the pillars of *Vishon Korsou*.

Trinidad and Tobago. Trinidad & Tobago's *Compact 2000* recognizes the potential of tripartism and deeper social dialogue on social and economic issues for the advancement of national economic and social development.

Its *Vision 2020* (October 2003), on labour and social security, foresees adequate social protection for all to enable a decent standard of living from the 'cradle to the grave'; full and sustainable employment and the development of the full human potential; and a harmonious industrial relations environment in line with fundamental principles and rights at work.

Interest in national dialogue has motivated an influential, broad-based group in civil society to articulate *The Principles of Fairness* (2005) for constructive engagement in promoting these Principles. It is proffered that *The Principles of Fairness* provide the bases for a more just society, eliminating discrimination in employment; education, health, and security; access to facilities provided including the supply of goods and services; state development and poverty relief programmes; allocation of housing; and the award of contracts, concessions or licences.

Bahamas: TRIFOR – *The National Tripartite Forum* of Bahamas provides the opportunity for the social partners and civil society to discuss and debate national issues, as a means of consultation and social dialogue.

The forum aims at improving the labour relations climate, at fostering greater labour-management cooperation, and at improving corporate and national productivity, and at raising awareness of the potential of social dialogue to national development.

Guyana. Guyana's *Tripartitism, and Draft Protocol 2000*, recognized the need for consultation on national issues. Since 1993, a national tripartite committee with six tripartite sub-committees on specialized labour issues and national labour policies was established. They are actively influencing national labour policies.

In 2000, the national trade union and employer organizations, drawing from the Barbados model, articulated the bases for a protocol on social partnership in an effort to engage the government in dialogue on social and economic matters.

Grenada. Grenada, in its *Memorandum of Understanding (MOU)* with the Government, the social partners and civic society, expresses the commitment of the parties to achieve consensus on national development issues, and the establishment of national tripartite consultation committees. The MOU provides for the committee to articulate a vision for national development, and for the ongoing review and assessment of the economy.

The above initiatives are signed commitments to the principle of active dialogue and social partnership. They are the first steps, dialogue in progress, in the pursuit of national accords. The challenge is to translate these commitments into more consensus on a wider range of social, economic, and political issues in each country.

Government as Facilitator

Government is a strategic actor clothed with legislative authority and the only actor that can change the rules by legislation. The government commands the necessary resources to engage the social partners and civil society, in good faith encounters, in the development of national economic and social policy. It can establish a well-resourced secretariat to provide the required research and technical support. This requires political will and leadership on the part of government, and the commitment of the key stakeholders.

Government also has the ability to create an enabling environment to foster sustained social dialogue and partnership at the national, enterprise, and industry levels. As an employer in the civil service and state sector, it can lead in consensus-building by developing partnerships with its employees and their trade unions and state agencies. By setting the example, it will have moral authority to advance and facilitate national social dialogue leading to enterprise-based partnerships.

The government can also engage national tripartite bodies to achieve meaningful and purposeful outcomes of their deliberations. The composition, functions, and scope of the involvement of tripartite bodies can be given statutory force. Government can equip the Department of Labour with the required resources and suitably trained and qualified personnel to carry out intensive advisory services with employers, trade unions and employees to prevent disputes from arising, and to develop appropriate forms of partnership at the enterprise, industry and national levels.

At the national level, the Government should be inclusive in its governance. It can promote and practice the concept of good governance in the management of a country's economic and social resources for national development. It can

commit itself under the notion of good governance to govern society in a transparent, credible, participative, and accountable manner. Government can commit itself to engage a fully representative tripartite constituency, civil society, nongovernmental organizations, the political parties and other key stakeholders in society in the task of forging national consensus on social, economic policy, and on other matters of national interest. These can be expressed in signed social contract agreements with effective implementation and monitoring measures, debated and endorsed by the national Parliament.

With political will, high trust, shared vision, and leadership by Government, and the full commitment of the social partners and civil society, the goal should be to achieve national agreements in the direction of the Barbados social contract model. This would be an exercise of good governance in the management of economic and social resources for national development and the good of the people.

The challenges for governments and the social partners are:

- to ensure that the Ministries of Labour are equipped with a secretariat for the promotion and fostering of higher-level social dialogue - beyond the routines in the collective bargaining process leading to national, sectoral, and enterprise agreements; and
- to be committed to transform the industrial relations climate and the social system from an adversarial model to a consensus-based model through sustained social dialogue which can lead to national social accords on economic and social issues within the framework of *decent work* defined by Juan Somavia, Director General of the International Labour Organization, as:

productive work in which rights are protected, which generates an adequate income, with adequate social security protection. It also means sufficient work...It marks the high road to economic and social development, a road in which employment, income and social protection can be achieved without compromising workers' rights and social standards.

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