

**Report of the ILO/Japan/Germany Regional  
Tripartite Meeting on Social Dialogue in Asia  
(Bangkok, 21-23 February 2001)**

**DRAFT**

Report of Proceedings

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1. The ILO/Japan/Germany Regional Tripartite Meeting on Social Dialogue in Asia was attended by 61 participants from 12 countries. They included 12 Government representatives, 12 Employers' representatives and 12 Workers' representatives. Also present were two official observers, six resource persons and ten ILO officials. The Meeting comprised five technical sessions as well as discussions by tripartite working groups. Country papers were also made available to all participants.

**Opening session**

2. Opening the meeting, the ILO Regional Director, Asia and Pacific Region, Mr. Nodera expressed his hope for frank discussion over the next three days.

3. Despite instability in several countries, most were making steady progress towards greater popular participation. Good governance and tripartite initiatives had played an important part in coping with the financial crisis in the region, as had the vision and generosity of the Government of Japan.

4. Freedom of association and the right to collective bargaining were now taken for granted in most countries and social dialogue had become an important part of the Asian industrial landscape.

5. This had not been achieved easily. Globalization and the financial crisis had changed the way labour markets were organized and the way employers and workers interacted, but the effects had been different in different countries.

6. Globalization required constant management of change and social dialogue would play a key part in the way this challenge was met. However, the institutions and legal frameworks supporting social dialogue were often weak and needed strengthening in some countries.

7. Social dialogue embodied the principle of democratic governance and was founded on freedom of association, the right to organize and effective collective bargaining, as laid out in the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144); the Cooperation at the Level of the Undertaking Recommendation, 1952 (No. 94); and the Consultation (Industrial and National Levels) Recommendation, 1960 (No. 113).

8. To ensure truly inclusive social dialogue, the gender inequality and exclusion that existed in every country had to be addressed. Women had a proportionately lower membership in employers' and workers' organizations and held fewer leadership positions in businesses and trade unions.

9. Social dialogue also needed to be taken to the informal sector, where people did not have access to traditional channels of representation and organization.

10. Mr. Nakano (Japan) discussed the significance of social dialogue after the Asian financial crisis. According to ILO reports, the crisis had brought unemployment to 20 million people. However, it had also brought an opportunity to strengthen democratic mechanisms and had demonstrated that the promotion of social dialogue facilitated economic recovery.

11. The primary goal of the ILO was to ensure decent work for all. Strategy objectives included the promotion of rights at work, employment, social protection and social dialogue. This last would guarantee democratic processes, justice and participation in development through the linkage of production and distribution.

12. The Government of Japan, the ILO and the Government of Thailand were also working with civil society in Thailand to empower women and increase their employment opportunities.

13. Mr. Ohndorf (Germany) explained that German tripartite dialogue had developed over almost 100 years. It had started as bipartite dialogue and had spread to the social field. Now tripartite dialogue was used throughout the whole economy.

14. After the election of the new Government in 1998, the Alliance on Jobs, Training and Competitiveness had been set up to tackle macroeconomic and structural economic problems. At the Cologne summit in 1999, tripartite dialogue had been introduced to solve broader, international problems faced by the world.

15. In his inaugural speech, Eiawat Chandraprasert, Permanent Secretary, Ministry of Labour and Social Welfare, said that a new policy direction was to build strong social protection in Thailand by empowering family institutions in cooperation with concerned parties and civil society. The financial crisis had demonstrated the need for such social and economic policy and social dialogue was a crucial component of political democracy and good governance.

16. With international support, countries in the region had made significant efforts to build social protection, but unemployment, underemployment and poverty had continued. Political openness had begun to take root, but in a painful context of structural reorganization that had created a certain degree of instability. Despite this, it was important not to be discouraged in the pursuit of political, economic and social reform.

17. It was also impossible to have strong, competitive enterprises and a skilled workforce without sound labour management relations. Thailand's 1997 constitution guaranteed public participation and freedom of association and emphasized people-centred development. Since 1997, the Government had taken a participatory approach to policy making by inviting contributions from social partners and civil society.

## **ILO approaches and the recent evolution of social dialogue in Asia**

18. An ILO expert (Ms. O'Donovan) explained that social dialogue was a natural phenomenon in the ILO by virtue of its constitution. She emphasized the importance of relevant ILO Instruments, including 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).

19. The ILO's definition of social dialogue included all types of negotiation and consultation as well as simple exchanges of information between or among representatives of governments, employers and workers on issues of agreed common interest relating to economic or social policy.

20. Social dialogue had three components: institutions, actors/parties and the agenda. There was a rich tapestry of social dialogue institutions reflecting the culture and institutional backgrounds of different countries; some were very legalistic, for example, and some very informal. Countries should adopt whatever system best served the interests of all parties and some issues were more suited to bipartite dialogue.

21. Governments had a dual role as both parties to and facilitators of social dialogue. As facilitators they had to create an environment in which workers' and employers' organizations could operate effectively by ensuring freedom of association and the right to collective bargaining.

22. There was criticism that social dialogue lacked a clear agenda and the process was just a "talking shop". It had to be understood that social dialogue should involve policy and decision making at all levels and that parties had to define the agenda.

23. Successful social dialogue also necessitated an acceptance of interdependence and there was a need for trust and greater respect, since bipartite and tripartite dialogue only functioned effectively when all parties were considered equal.

24. Partners had to adopt a strategic approach that looked at longer-term gains. There also had to be a willingness to share power and influence and an acceptance from governments that workers' and employers' organizations could give input into policy.

25. Social dialogue had to be dynamic and able to adapt to changes driven by technology and globalization: but alterations to the process had to be negotiated and acceptable to all parties. There should be a greater sharing of experiences and best practices and a pooling of interests and knowledge.

26. Social dialogue had been categorized as an ideology for too long. For the ILO it was a strategy to achieve the fundamental objective of decent work.

27. The InFocus Programme on Strengthening Social Dialogue had three operational objectives: (a) the promotion of social dialogue as an instrument of democracy, rights at work and consensus building; (b) the strengthening of the institutions, machinery and processes of social dialogue in ILO member states; and (c) the strengthening of the representation, capacity and services of the parties.

28. An ILO Expert (Mr. Chang-Hee Lee) explained how there had been a resurgence of tripartite initiatives since the crisis. There were four driving forces behind this resurgence: (a) globalization; (b) the Asian financial crisis; (c) the transition in countries in East Asia towards a market economy; and (d) moves towards more open and democratic governance in many countries in the region.

29. Some tripartite initiatives now included government participation at the highest level. In some instances, the agenda for social dialogue had extended to many macroeconomic policy issues and had also decentralized to the provincial level. Sound industrial relations and people management had become even more important at the enterprise level as national competitiveness depended on that of individual enterprises.

30. Over the last decade, transitional economies had begun to introduce labour market institutions. However, legislation, industrial relations and the capacity of social partners had not met the pace of changes in the labour market.

31. The overall basis for social dialogue in east Asia was weak and levels of collective bargaining were often lower than union density.

32. There were still legal barriers to freedom of association and the right to collective bargaining and weak links between different levels of industry meant that agreements reached at the national level did not filter down to the enterprise level.

33. There was also a question as to whether the resurgence in tripartite initiatives would continue now the financial crisis was coming to an end. Social dialogue had proved its usefulness in crisis management and should now be applied to the management of change.

34. For social dialogue to be a dynamic process there had to be: (a) open and democratic decision making and the reinforcement of democracy; (b) a willingness to embrace change; (c) a focus on strategy rather than ideology; (d) a patient search for wider and deeper consensus; and (e) the sharing of best practices and experiences.

35. An ILO expert (Mr. Ghosh) explained how tripartism in the Philippines had been declared a state policy under the Labour Code of 1974. After the restoration of democracy in 1986, tripartism had then become a democratic instrument of consultation and participation in policy formulation and decision making, involving multi-sectoral dialogue between different stakeholders.

36. The Tripartite Industrial Peace Council monitored compliance with international conventions and recommendations. There were also a number of other national tripartite bodies and mechanisms were in place for establishing sectoral councils at the regional level.

37. The situation had not been perfect however and problems had included: (a) failure to convene national tripartite conferences on major issues; (b) attempts to pack some national tripartite bodies with pro-administration trade union representatives; (c) deteriorating relations between the Government and workers' organizations; (d) complaints of anti-union discrimination by the military and the police; and (e) fragmentation and weakening of the trade union movement.

38. However, since the new president accorded the highest priority to democracy and a market economy, there was renewed hope for the future.

39. With regard to Indonesia, after 1998 the government had agreed to work closely with the ILO, had ratified the Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87), and had established a tripartite taskforce to look at labour laws. The country had then become the first in the region to ratify all eight core labour standards.

40. There were still problems, however, including: (a) a lack of trust among partners; (b) perceptions of government bias towards employers; (c) a proliferation of trade unions and inexperience among employers in dealing with them; and (d) a feeling that freedom of association meant freedom to strike or take other action without consideration of the consequences.

41. An ILO expert (Mr. Sivananthiram) emphasized the importance of the informal sector in south Asia. Its growth had brought about a decline in union density, multinational companies were trying to avoid unionization and employers were trying to bypass ILO Conventions and Recommendations.

42. Tripartite dialogue institutions dated from the 1920s but had become talking shops. Meetings were obligatory but social partners were not committed to action and governments were unable to implement decisions.

43. However, south Asia had seen some very interesting developments. The State of Kerala had managed to address the 80 or 90 per cent of workers in the informal sector by developing ways of providing benefits based on workers' contributions; Pakistan had managed to establish tripartite skills development councils and a bipartite mechanism to deal with retrenchment; Sri Lanka had established an independent mediation council to address the huge backlog of cases before the labour courts; and the Bangladesh Garment Manufacturers Association had set up bipartite mediation committees at the sectoral level.

44. South Asia was beginning to recognize the importance of social dialogue. However, there was a need to broaden its scope, to entertain constructive proposals rather than maintaining the status quo and to look at ways of strengthening social dialogue. For example, wages should be linked to productivity and wage negotiations, in which trade unions had to be involved from the start, and social dialogue should also be used to look at reforming outdated labour laws.

45. Mr. Jamal (Pakistan) emphasized that different countries required different approaches to social dialogue, whether bipartite, tripartite or multi-partite, and needed to discuss different issues. He also stressed the need for a clear agenda for social dialogue.

46. Mr. Yoon (Korea) said that social dialogue was not a technical matter but required a philosophical commitment.

47. ILO papers clearly showed that social dialogue and tripartite dialogue were democratic processes that required power sharing. Trade unions in Asia were highly committed to changing power relations, but the labour side had been weak and fragmented. There was also a need to ensure that equity was on the agenda of all partners.

48. It was unacceptable for the ILO to say that the multiplicity of unions in the Philippines was a problem: this should have been a comment from the labour section. The ILO had made nine recommendations to Korea to change freedom of association laws and because of these issues many people had gone to prison.

49. Without industrial relations systems based on collective bargaining with the threat of strikes and lockouts, social dialogue opened itself up to being used as a legitimizing tool for undemocratic governments.

50. Employers often had no sense of purpose as a group and no discipline for making sacrifices to meet a common agenda.

51. Mr. Sun Il Lee (Korea) observed that practicality and common sense had to be included in social dialogue in addition to any philosophical commitment.

## **Country case experiences**

### **India**

52. Mr. Anand (resource person) said that job creation, the informal sector and poverty alleviation had to be a part of the social agenda or social instability would continue. Tripartite and social dialogue had not absolutely failed but systems had to be clear and dialogue had to move from confrontation to cooperation. It was also important to keep social dialogue going even when talks were blocked and this required informal as well as formal meetings.

53. In India, local-level social dialogue had proved very successful with the resolution of 3,000 disputes by newly established people's courts.

## **Singapore**

54. Ms. Yacob (resource person) explained that Singapore had enjoyed a much more productive relationship between the three social partners, who all understood the need for consultation despite a lack of formal legislation.

55. Before independence, the situation had been chaotic, but after independence, employers had begun looking at skill development and long-term profitability, trade unions had realized they had a responsible role to play in building the new country and there had been huge investments in social infrastructure.

56. Tripartite courts had been set up to provide an impartial, non-political and cheap way to solve disputes. A tripartite national council, with an independent chairperson, existed to ensure orderly wage increases and unions and employers were represented on critical statutory boards. These key institutions were supported by ad hoc committees.

57. For social dialogue to be effective it had to have effective partners, and a strong labour movement had to have a strong skills base. One of the National Trades Union Congresses' top priorities was to help workers remain employable for life and a skills development programme had been initiated in 1996, targeted at older workers with lower skills and incomes. This was especially important as employers were not prepared to provide training for skills not directly related to an employee's job.

58. Several factors had contributed to the success of social dialogue in Singapore, including: (a) the government's long-term approach and provision of space for parties to work in; (b) a consensus that job creation and human resource development had to be given top priority; (c) an understanding between employers' federations and trade unions that they had to consult, negotiate and compromise. The current situation looked good, but further investment was needed because values and participants might change.

## **Korea**

59. Dr. Park (Korea) explained that tripartite dialogue institutions had been in place in Korea for many years, but most high-level social dialogue had come about after the financial crisis with the formation of a Tripartite Commission.

60. In 1999, there had been much discussion in Korea as to whether tripartite dialogue was merely for crisis management or should be developed into an ongoing socioeconomic management institution. The 1999 Act on the Establishment and Operation of the Tripartite Commission partially resolved this debate by making the Commission an advisory body to the government.

61. The major challenge to tripartism was the question of commitment from the government. Sometimes a tripartite committee would make an agreement for legislative action but nothing would happen because the legislature was unhappy following the tripartite bodies. Employers' attitudes to social dialogue had also been ambivalent and dialogue was sometimes mainly between labour and government.

61. Further issues to be resolved included the duplication of some tripartite committees, the scope of subjects for social dialogue, the representation of non-unionized employees, compensation for full-time union officers and the multiplicity of unions at the enterprise level. Once Korea had restored its economy, the resulting atmosphere would facilitate social dialogue, but the severe economic difficulties of 1998/99 had created serious tensions between labour and management/government.

62. Mr. Townsend (New Zealand) emphasized that consensus did not always happen and the traditional partners would never be in total accord. Emphasis had to be on consultation not decision making and there had to be mechanisms to ensure that all issues were fully understood. For example, there was a fundamental need for all participants in society to understand the linkage between sustainable profitability and decent work.

63. Another issue was that of representation. Sometimes small minorities and loud pressure groups exerted a lot of influence, but the silent majority also had to be considered. There also had to be clear feedback and accountability for those entrusted with carrying out the results of social dialogue.

64. Mr. Sivananthan (Malaysia) said that of the three partners, the workers were the most vulnerable. There was a need for democratization of the workplace. The question was whether employers could accept labour as their equals.

65. Mr. Jammal (Pakistan) said that there had to be a linkage between bipartism, tripartism and multi-partism, so that if one approach failed it would be possible to try another. In times of crisis, there might also be a need to take extraordinary measures, so any system required a measure of flexibility.

66. Mr. Remesh (India) said there was a need to ensure that established forums were used properly and that social dialogue included more social partners.

67. Mr. Liu (China) stated that social dialogue had to address economic realities. China had doubled its GDP in the last decade, but state-owned enterprises had been shedding labour and this had implications for maintaining stable industrial relations.

68. The Government saw itself as a partner in dialogue but also stressed its legislative role and had been pushing several collective bargaining laws. It believed that dissenting voices should be heard in order to work towards a consensus.

69. Mr. Bagabaldo (Philippines) explained that the Philippines had social dialogue in many forms but that there was difficulty in implementing national decisions at the enterprise level.

70. Mr. Yoon (Korea) said that the right to strike was an essential part of collective bargaining. Without the right to strike you had only the right to beg.

71. Mr. Anand (resource person) said that until there was a link between the national and enterprise level, tripartite dialogue would not be effective. In addition, workers had to be treated as equals in dialogue or there would be no stability; but along with rights came obligations.

72. Ms. Yacob (resource person) explained that in Singapore each of the three partners had their own objectives but tripartite dialogue provided an avenue for discussion. During these discussions, all key affiliates and partners were well informed and included in every stage of dialogue so that when an agreement was made at the national level all partners were committed to implementing it.

## **Presentations on working group discussion I: A diagnosis of problems**

### **Group 1**

73. Mr. Chiam (Malaysia) said that Group 1 had unanimously accepted the need for interdependence, power sharing, greater respect and higher levels of trust among all social dialogue partners. He also identified the following issues:

- In large countries, there was a communication breakdown between the enterprise/provincial and the national level.
- There was a question as to whether the social partners were representative.
- There was a need for consistent policy.
- Government involvement in privatized projects could lead to a conflict of interests, and government cooperation was sometimes lacking for the implementation of ratified conventions and recommendations. On the other hand, the opening up of new markets sometimes required policies that appeared unfair but were necessary for economies to catch up.

74. An ILO expert (Mr. Shivananthiram) emphasized the length of time that had to be invested in nurturing the social dialogue process. Once trust had been established, it was much easier to reach a consensus.

75. Mr. Baloch (Pakistan) said that privatization was acceptable, provided that governments privatized loss-making operations first and sold them at a fair price.

### **Group 2**

76. On behalf of Group 2, Mr. Fischer listed 11 critical issues:

- There was no single solution for economies of different sizes and countries with different histories and traditions.
- Countries in the region had low union density.
- Partners could be weak.
- There was a low level of collective bargaining, and this suggested that, in some countries, the balance of power for social dialogue had not been put into place.
- The growth of the informal sector impeded fruitful social dialogue.
- Restrictive legal frameworks did not support social dialogue at the country level.
- There was a lack of direction in implementing ILO Conventions and Recommendations and the desired outcomes were unclear.
- Supranational conditions had influenced the whole process of social dialogue.
- There was a lack of ownership to the process of social dialogue.
- There was a lack of focus and a need to prioritize.
- There was no linkage between different levels of social dialogue.

77. Mr. Bitonio, Jr. (Philippines) said that the labour side had a responsibility to generate a consensus within itself so that the diverse number of groups could decide their own questions of representation.

### **Group 3**

78. Jane Douglas pointed out that Group 3 had had a very good gender balance as well as being tripartite. She added that impediments to social dialogue could be divided into three categories: partners, institutions and the agenda. The issues that needed to be addressed for each were as follows:

#### *Partners*

- Independence among partners was critical to maintaining confidence.
- Changes in partners undermined the continuity of dialogue.
- The authority and representativeness of partners was questionable and constituents had to be included in all stages of social dialogue.
- There was no point in developing consensus if agreements were not implemented.
- Multiplicity and rivalry needed to be addressed; but so did a complete lack of organization and suitable forums for interaction.
- Government support was important for facilitating social dialogue and representativeness and governments had to be clear about their role as partners in social dialogue and about the environment in which it had to occur.
- There was a lack of resources to provide quality information and research.
- A lack of transparency eroded essential confidence.
- Flexibility and openness to new ideas and methods was necessary, as was a long-term approach although there was pressure on all parties to achieve short-term gains.
- Dialogue had to continue even during serious disagreements.

### *Institutions*

- There was a lack of flexibility in institutional structures and process, as well as a lack of transparency and access to information. Further inadequacies included internal and external communication as well as a lack of resourcing of institutions.
- The skills required to support social dialogue were not the same as those needed for the old ways of resolving issues.
- Legislative support was important to ensure the status and integrity of institutions and government support was important for maintaining their confidence.

### *The agenda*

- The agenda of social dialogue lacked substance and prioritization.
- The agenda was unclear, with objectives and topics not agreed by the parties.
- All parties needed better information to participate fully.

79. Most issues identified as problems were issues that affected the partners. Therefore the partners should look to themselves before tackling institutional difficulties.

80. Mr. Anand (resource person) observed that much more work was needed in this region that focused specifically on outcomes that could be feasibly implemented.

81. An ILO expert (Ms. O'Donovan) added that social dialogue required a forward movement away from traditional ways of operating and it was the responsibility of specialists to respond to the issues raised and put together coherent support and assistance for parties in the region.

### **Country case experience of social dialogue**

82. Mr. Gröbner (resource person) explained that in 1988, the German Government and representatives of business and trade unions had formed an Alliance for Jobs to reduce unemployment, create more training places and strengthen long-term economic competitiveness.

83. The Alliance was chaired by the German Chancellor and its tripartite structure meant that those involved had power in politics, business and society. Its task was to discuss the general orientation of political action and agreements up to now had covered public finances, youth unemployment, training, collective bargaining and part-time work.

84. The Alliance for Jobs did not work miracles but had achieved considerable success: the Alliance's decisions had been implemented, it had contributed to the overall social climate and last year had seen the highest rates of economic growth this decade.

85. The principle that large groups in society share power was integral to the whole social system in Germany and both social insurance schemes and the Public

Employment Service included tripartite mechanisms. However, voluntary alliances had to provide concrete advantages for all parties to justify themselves and a readiness to compromise was indispensable.

86. Mr. Roland Fischer (Germany) said that the German experiment had shown that the groups represented in such a consultative body needed a strategic, mid-term focused direction and there should be no taboos on topics for discussion. Germany also had a well-established legal framework that facilitated the work of the Alliance.

87. Ms. Klein (Germany) added that both employers and trade unions had unfulfilled demands and there were the occasional calls for dismissing social dialogue. However, individual failures should not stop the process itself.

88. There were alliances at all levels (regional, branch and enterprise) and more linkage was required to facilitate a bottom-up rather than a top-down approach.

89. One topic usually ignored by tripartite dialogue discussions was gender, so Germany had established a group of 250 women, from universities, trade unions and churches, to address these issues.

90. Dr. Park (resource person) said that social dialogue was basically a European initiative but organizations like ASEAN could also contribute and a special forum could be established to disseminate European experiences among Asian players.

91. The focus of dialogue in the Alliance for Jobs was on job creation, but in Asia there were many other important issues due to different industrial frameworks and economic structures. Even at the risk of losing focus, the scope of dialogue had to be broadened to include, for example, institutionalizing collective bargaining rights.

92. Miss Sanui (Japan) said that the Alliance for Jobs was an elaborate and well-organized system for social dialogue and for facing the challenges of globalization. Japan also had tripartite dialogue organizations as well as an important bipartite dialogue organization in the shape of dialogue at all levels between employers and workers to discuss issues of mutual concern and initiate joint projects.

93. Jane Douglas (New Zealand) noted that the principles underpinning tripartite dialogue as they related to social dialogue were common to all countries but the structures and processes adopted needed to be appropriate to the individual situation of each country.

94. An ILO expert (Mr. Shivananthiram) pointed out that trade unions were accepted immediately in Germany, but in Asia they had to go through a long process of recognition. There were also many different interlocking institutions and levels of discussion that helped to support social dialogue in Germany.

95. Mr Gröbner (resource person) added that workers' and employers' organizations in Germany were very strong and the German government supported this because it believed that all three partners had a very important role to play in society. A strong government that had no partners faced isolation and an inability to cooperate with other sectors.

### **The innovative partnership between social partners and other actors in promoting and achieving decent work**

96. Mr. Tabani (resource person) said that states couldn't afford to remain isolated in the face of globalization and were under increasing pressure to provide civil and other rights. Innovative management policies and practices with workers' participation were vital tools for increasing productivity and all partners had to be considered on the same level.

97. Hostility between social partners had lessened but they would never be in total agreement because their objectives were diametrically opposed. This demonstrated the need for social dialogue.

98. It was essential that each country should be able to decide in what areas to use social dialogue, while ensuring that universal values and established principles of social justice were fully honoured. What was useful in Germany might not be in Asia.

99. The Asian financial crisis had increased communication between partners, but dialogue should never stop, even if it was only in the shape of informal and bipartite talks.

100. In some countries, governments discharged their social obligations to employers so that social security schemes were entirely funded by employer contributions but administered and controlled by the state. The benefits of these schemes did not reach the workers because of mismanagement and workers and employers had to be given more powers in the administration of such schemes through social dialogue.

101. Ineffective governance had paved the way for NGOs to become partners in social dialogue, despite opposition from workers and employers. It was doubtful whether they could contribute much, however, due to their inability to accept the fact that private enterprises had to be competitive. There was also considerable anxiety over the activities of some NGOs and they needed to become democratic institutions.

102. Regarding the informal sector, it was too early to regulate it in case such regulations reduced its capabilities. Instead, the informal sector had to be helped up to a level at which it could be incorporated into the formal sector.

103. Social dialogue could also achieve great successes at the international level, as had been the case with the International Shipping Industry's adoption of an accord to improve wages, safety and working conditions.

104. One further example of social dialogue's success was the Workers' and Employers' Bilateral Council of Pakistan, which had brought together almost all national-level organizations in Pakistan to improve relations, develop a consensus regarding national labour policy and harmonize industrial relations.

105. An ILO expert (Ms. O'Donovan) presented a model of social dialogue in Ireland, where all partners were trying to create something new. The "Irish Experiment" had commenced after an economic crisis. It involved the traditional social partners, including the powerful farmers' group, and dialogue was both wide-ranging and focused.

106. Over a period of time, community and voluntary organizations came to be included. Although this was not something that had met with consensus, the question was whether any agreement between the traditional partners was legitimate if large sectors of society felt their voices were being excluded. During periods of huge unemployment, for example, it was felt that the workforce was being represented, but not the unemployed.

107. All partners were involved in the preparatory/consultative process leading to agreements. The Government was both a facilitator and also represented as the public sector employer. All partners were involved in negotiations on economic and social issues. Pay and workplace related issues were negotiated bilaterally between employers (including the Government) and trade unions.

108. Agreements at this level were implemented through further agreements negotiated at the enterprise level. These collective agreements were not legally enforceable but were supported by a labour court with tripartite dialogue representation.

109. The situation now was that Ireland had almost full employment and real incomes were rising for the first time in a decade. Interest rates and taxes were low and the country had the lowest national debt in the European Union.

110. Ms. Leechanavanichpan (resource person) said that home-based workers had no real representation beyond scattered cooperatives and small groups and were usually excluded from labour protection. The NGO Homenet linked these groups and, together with the ILO, had created a kind of platform for social dialogue.

111. A lack of macroeconomic policy left the workforce vulnerable and employment promotion was needed to assist seasonal workers, while a lack of social policy meant that healthcare and labour and social security protection were not extended to informal workers, who received no such benefits from their employers.

112. A platform for the informal sector to contribute at the policy level was needed and Homenet had created various women's, agricultural, environmental, trade union, academic and children's groups.

113. There was also a need for community development and infrastructure, such as roads and electricity; community enterprise development, such as credit schemes and marketing; and community organizations, such as local councils and civil groups.

114. Mechanisms for social dialogue in the informal sector should include the following: (a) a national multidisciplinary committee headed by the Deputy Prime Minister; (b) subcommittees on employment promotion, protection and policy integration; and (c) tripartite dialogue meetings, supported by the ILO, on relevant issues.

115. Trade unions either ignored the issue or felt that including the informal sector would weaken their organizations. However, inclusion of the informal sector would increase trade union membership.

116. The ILO also wanted the informal sector integrated into the trade unions but this was not possible under Thai law, so there was a difficulty in fitting informal sector workers into existing structures. The tripartite dialogue structure had to be more flexible to facilitate inclusion of the informal sector and the ILO should discuss informal sector representation at its next conference.

117. In some countries, there were trade unions that allowed members without employers. However, if home-based workers in Thailand were organized, the ILO would not accept them as a trade union since they would not be permitted such status in their home country. With regard to multinational involvement in the informal sector, multinationals felt that getting local suppliers to follow codes of practice would be easier if more money was given to local suppliers to help them do this.

118. Mr. Jammal (Pakistan) said that there were different schools for approaching the aim of decent work, but it was necessary to come up with concrete proposals. There was also a need for human resource management. In Asia, poverty was increasing and decent work would not be achieved in just a few years. However, decent work was the right of all workers, no matter what sector they might be in.

119. Mr. Tabani (resource person) noted the difficulty of defining the informal sector. For example, in Pakistan, all companies with less than ten workers were considered informal, even though they might be producing complicated machine parts.

120. Mr. Tabani (resource person) stressed that NGOs should never be part of the decision making processes of the ILO, but the time had come to consider how to interact with them nationally, internationally and, eventually, at the enterprise level.

121. An ILO expert (Mr. Ghosh) said that the very openness with which the inclusion of other partners in social dialogue was being discussed was a great step forward and showed a genuine desire to resolve the issue. However, the question remained of making NGOs and other groups representative and accountable. There was also a need to consider what kind of structure was wanted and whether this would require a review of fundamental ILO practices.

122. With regard to the Alliance for Jobs, at the top was a body of the highest officials but, if the capacity of institutions was to be improved, there was a need to make sure that the top levels truly represented the whole institution.

## **Working group presentation II: From problems to solutions: Analysis of policy options**

### **Group 1**

123. Mr. Heng Soh (Singapore) said that the objectives of social dialogue were to preserve the fundamental rights of workers, provide social protection and ensure high-quality employment without discrimination. He then outlined a number of points:

- Dialogue partners should be representative, able to carry out decisions and able to provide good services to their members.
- The basic constituents of tripartite dialogue should be protected, while taking into account the views of others.
- Governments should include social dialogue as part of the vision for their countries.
- There was a case for both bipartism and tripartism, depending on the situation.
- The ILO could play a much more prominent role in providing technical assistance to countries in promoting social dialogue.
- The agenda for social dialogue should include unemployment, poverty, training and special conditions that may arise from time to time; but should not include political issues, specific national issues and business issues.
- There should be a common platform for the various parties to come together and promote social dialogue. In particular, there should be a permanent social secretary.
- Labour ministries should establish a relationship with other ministries and decisions had to be government decisions.

### **Group 2**

124. Mr. Yoon (Korea) identified four issues that needed addressing:

#### *Outcomes*

There was a need to:

- strengthen democratic processes and develop society as a whole;
- commit to joint decision making and cooperation on agreed priorities to achieve decent work by eliminating unemployment, poverty, inequality and casualization of labour or problems from other new forms of employment such as outsourcing;
- target specific groups that were marginalized.

#### *Key enabling factors*

There was a need for:

- long-term positioning and patience;
  - a review of labour laws so they were fully capable of protecting rights;
  - strong partners and a balance of interests, for example, with the IMF, whose wishes could sometimes override the wishes of concerned partners;
  - implementation of and compliance with laws/procedures;
  - good and complete information on, for example, the informal sector;
  - resource mobilization;
  - identification of achievable goals/clear agendas;
  - workshops to facilitate a building of consensus before decisions were taken.
- All of these required and should consolidate trust among partners and each partner should have a strong mandate from their own constituency, which would require capacity building for unions and strengthened collective bargaining practices.

#### *Ownership of the dialogue process*

Several factors had to be considered:

- Even if social dialogue was extended to include new partners, the traditional three should be recognized as the core components.
- Social dialogue should be a continuous process.
- Participants must be fully accountable and all proceedings must be fully publicized.
- Partners should be of equal status, but there was a need for leadership capacity within organizations and a need for champions of social dialogue.
- Alliances should be built between partners of shared interests within society.
- Monitoring mechanisms should be set up for social dialogue.

#### *Structures*

Several factors had to be considered:

- There was a need for social dialogue mechanisms at the national, regional and enterprise levels with effective coordination and linkages between them.
- There was a need for flexibility with jointly financed formal and informal meetings.
- Each partner had to bring to the process different constituencies within itself, for example, young people and women.
- Governments had to work as facilitators and there should be effective communication and dissemination by the ILO of best practices.
- There had to be social dialogue at the Asia-Pacific level, not just discussions about it.

### **Group 3**

125. Mr. Rahim (Malaysia) outlined a number of points:

- It was the government's responsibility to provide an environment conducive to the development and functioning of democratic and independent workers' and employers' organizations.

- The ILO and other international organizations should assist all partners in providing joint training in problem solving, listening and communication skills and leadership.
- It was important to create or strengthen linkages between social dialogue mechanisms and other social consultative bodies, including different arms of international organizations.
- There was a need for access to freely available, high-quality information for all participants in the social dialogue process.
- There should be a mechanism to ensure the capacity of parties to elect responsible representatives accountable to and accepted by their whole constituency.
- Opportunities should be identified for working together and building trust.
- There was a need to agree on shared goals, to take a long-term perspective and to create an environment in which cultural change could occur amid a process of continuous consultation and dialogue.

126. Mr. Anand (resource person) pointed out that governments also had to provide opportunities and facilities in accordance with their responsibilities as the third partner of the ILO and that their responses had to become quicker. In addition, society could not be favoured over the viability of enterprises.

### **Summary of policy needs**

127. An ILO expert (Mr. Sivananthiram) noted that discussion during the meeting had captured a sense of change in the way social dialogue was promoted in the region. He then presented a joint statement for discussion and amendment by participants, who agreed to finalize the statement in a special working group (see Annex V).

### **Closing session**

128. An ILO expert (Mr. Lee) said it had been generally agreed that for successful social dialogue there was a need for a long-term strategy, wider and deeper consensus, higher levels of trust and commitment and a willingness to share power.

129. Solutions were to be found with the participants of social dialogue. A renewed commitment to the process would transform it into a dynamic forum for achieving decent work for all men and women.

130. Mr. Ito (Japan) delivered closing remarks on behalf of the Workers' participants. He said that freedom of association was important for employers as well as workers since strong trade unions would lead to strong employers' organizations and without strong partners on both sides, tripartite organizations would be weak. However, the Asia-Pacific region had a low rate of adoption of the Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87).

131. The Asian financial crisis had clearly demonstrated the need for the fair distribution of wealth and the need for social safety nets. These tended to be absent in

countries where democracy did not function and this made it all the more important to adopt Convention 87 since freedom of association was a prerequisite for democracy.

132. Both social dialogue and democracy required healthy industrial relations at the enterprise, industrial and national levels.

133. Mr. Bagabaldo (Philippines) delivered closing remarks on behalf of the Employers' participants. He noted that the seminar had been a good example of what tripartism should be. Each country had its own problems, but there were also issues that affected all. Communication channels should always be open for discussing these issues and governments should facilitate this.

134. Mr. Liu (China) delivered closing remarks on behalf of the Government participants. He said that during the seminar a high level of consensus had been reached and many difficult issues had been discussed.

135. Several colleagues had pointed out that the cost of not having social dialogue was higher than the cost of having it. Governments promoted the use of social dialogue, but there was a need for concrete agendas and interaction.

136. Mr. Ohndorf (Germany) brought the meeting to a close. He said that periods of transition were when the ILO was most needed. Globalization was the new challenge for all and partners would be better able to cope with changes if they stood together and decided what their different interests were and how they could accommodate them to achieve results that were acceptable to everyone.



## Annex I: Programme

Wednesday, February 21, 2001

- 0900 - 0945 Opening Session:
- **Welcome and Introductory Remarks**  
Mr. Chang-Hee Lee  
Industrial Relations Specialist
  - **Address**  
Mr. Yasuyuki Nodera  
Regional Director  
Asia-Pacific Region
  - **Address**  
Mr. Hideyo Nakano  
Assistant Minister, Ministry of Health, Labour and Welfare  
Government of Japan
  - **Address**  
Mr. Wolfgang Ohndorf  
Director-General  
European and International Social Policy  
Federal Ministry of Labour and Social Affairs  
Government of Germany
  - **Inaugural Address**  
Mr. Elawat Chandraprasert  
Permanent Secretary  
Ministry of Labour and Social Welfare, Thailand
- 1015 – 1200: **SESSION I: The ILO Approach/the Recent Evolution of Social Dialogue in Asia:**
- Ms. O' Donovan on the ILO Approach to Social Dialogue
  - ILO specialists on The Recent Evolution of Social Dialogue in Asia  
Mr. Chang-Hee Lee  
Mr. A. Sivananthiram  
Mr. A. Ghosh
  - Comments by Panel
  - Discussion
- 1300 – 1445: **SESSION II: Country Case Experiences:**
- Mr. I.P. Anand on Indian Experience
  - Ms. Halimah Yacob on Singaporean Experience
  - Mr. Fun Koo Park on Korean Experience
  - Discussion
- 1445 – 1500: Introduction to Working Group Discussion I: A Diagnosis of Problems
- 1520 Working Group Discussion I

**Thursday, February 22:**

0900 – 1000: Presentations on Working Group Discussion I:

1015– 1115: **SESSION III:** Country Case Experience of Social Dialogue

- Mr. Gerhard Josef Gröbner on Social Dialogue in Germany
- Comments by Panel
- Discussion

1115 – 1300: **SESSION IV:** The Innovative Partnership between Social Partners and Other Actors in Promoting and Achieving Decent Work

- Mr. Ashraf Tabani on Social Dialogue – Employers’ Perspective
- Ms. O’Donovan on Innovative Partnership between Social Partners and Other Actors
- Ms. Rakawin Leechanavanichpan on Working for Women in the Informal Sector: Working with Social Partners
- Discussion

1400 – 1410: Introduction to Working Group Discussion II:  
From Problems to Solutions: Analysis of Policy Options

1410 – 1600: Working Group Discussion II

1615 – : Presentations on Working Group Discussion II

**Friday, February 23:**

0930 – 1030: Final Session: Summary of Policy Needs

1045 – 1130: Closing session:

- Remarks by Mr. Chang-Hee Lee
- Remarks by representatives of:
  - Government
  - Employers
  - Workers
- Closing Remarks by Mr. Nodera

1250 – 1400: Move to Factory (Toyota Thailand)

1400 – 1430: Brief presentation by the Company

1430 – 1530: Factory Visit

1530 – 1630: Discussion



## **Annex II: List of Participants**

### *China*

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All-China Federation of Trade Unions  
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### *Germany*

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Director General  
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Dr. Roland Fischer  
Member of the BDA Committee for  
Social Affairs in Europe  
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Ms. Martina Klein  
Head, Office of Academic Affairs, Alliance for Jobs  
German Trade Union Confederation  
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Ms. Anneliese Klein (Interpreter)  
Federal Ministry of Labour and Social Affairs  
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SCOPE

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Mr. Mukund Sadashiv Gore  
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Ms. Jane Douglas  
Organiser/Sector Coordinator/NZPSA

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### ***ILO Participation***

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