

INTERNATIONAL LABOUR ORGANISATION

**HIGH-LEVEL TRIPARTITE CONFERENCE
ON
SOCIAL DIALOGUE AND LABOUR LAW REFORM**

MALTA, 28-1 MARCH, 2003

*Concluding remarks by Ms. Sally Paxton,
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Deputy Prime Minister,
Ministers and government representatives,
Representatives of Employers' and Workers' Organisations,
Ladies and Gentlemen:

Even though this session in the conference programme is entitled 'ILO Policy Recommendations,' I view this much more as an opportunity to draw some conclusions from our discussions and to identify some areas for future action rather than laying down any policy prescriptions.

In my opening remarks to the Conference, I said that we had set ourselves an ambitious agenda. Our first objective was to review the state of the art of social dialogue in the accession countries and our second objective was to explore further the potential of social dialogue to contribute to solving the on-going economic and social challenges which you face.

Assessing the state of the art of social dialogue was greatly assisted by the background papers which were prepared for the Conference and I would like to take this opportunity

to thank the ILO staff who prepared these papers and ensured that they were available to you on the ILO webpage in advance of the Conference. The information in these papers was greatly enriched by the very open discussion and sharing of practical experiences which has been a notable feature of this conference. There can be no doubt about your achievements and the extraordinary economic, social and political transformations which have taken place in your countries over the last decade. I referred to this in my opening remarks and I repeat it again – what you have achieved is admirable and this is fully acknowledged by the ILO which has accompanied you on this difficult, challenging and exciting journey from the beginning.

In assessing the state of the art of social dialogue in your countries, I believe that we can draw the following positive conclusions from our discussions here:

- Social dialogue has been recognized as a valuable component of good governance in all of your countries.
- Institutional arrangements and legal frameworks have been put in place which share many common features but are also tailor-made to fit the rich diversity of your own legal, institutional and industrial relations systems. You confidently adopted an innovative approach with a pragmatic focus on finding solutions which respond to each of your country's specific circumstances.
- You are engaged in an on-going process of review of your institutions of social dialogue and labour laws. This process is motivated by your desire to make these institutions and laws more effective and more responsive to your needs.
- There is a growing appreciation that social dialogue can be a very effective tool for managing labour market and workplace change in a way which makes it more sustainable.
- The social dialogue agenda is changing as it seeks to address new challenges around enterprise productivity, competitiveness, skills and lifelong learning, demographic changes, reconciling family and work and improving the *quality* of working life.

However, you also frankly discussed the problems which you still face and referred to a number of issues which you consider still need on-going efforts by the social partners and governments if the full potential of social dialogue is to be realised. I will just mention the main points which were raised and seemed to be relevant to a number of countries:

- The question of representativeness of the social partners continues to be an issue in some countries and seems to be an obstacle to moving forward with a meaningful social dialogue. Unfortunately, if this remains unresolved, it will continue to divert the focus and energy of the social partners away from the substantive issues and the social dialogue will not evolve beyond a rather superficial level. There is a clear responsibility on the social partners - because they are best placed to do this - to try to find solutions to these issues so that they can move on and concentrate fully on the real challenges. ILO recognizes that there are no easy solutions to these problems and the ILO's workers' and employers' specialists in the Budapest Office will continue to work with the social partners to help to define objective criteria and procedures to measure representativeness.
- The question of gender equality was raised as an important issue and it was clear that governments, workers' and employers organizations recognize the need to address this issue. Of course, this is not unique to the accession countries and as was pointed out by our colleagues from the ETUC and the European Commission in our discussions yesterday, it remains a major issue on the agenda of the social partners and the Commission. There are problems around the representation of women in social dialogue institutions, in employers' and workers' organizations, in discrimination and in adapting working time and working life to better suit the needs of workers with family responsibilities.
- Many countries seem to be grappling with the question of how to widen the social dialogue to other groups in society such as pensioners, women's groups and disability groups, while preserving the unique role of the social partners and

the tripartite structure. Questions of how to do this and on what issues to involve these groups were raised. Again, this question is not confined to the accession countries but is also a source of discussion in many EU Member States, at EU level itself and I can also say, from an ILO perspective, in many other countries and regions around the world.

- There was a very rich discussion on labour law reform which raised both methodological and substantive issues. Some of the key issues included the frequency of amendments to recently adopted laws and the lack of certainty which this can create for the users; the need to maintain the on-going involvement of the social partners in the reform process; the need to adopt a comprehensive approach to labour law reform rather than a piecemeal approach; striking the right balance between flexibility and security and meeting the challenges posed by new forms of employment such as sub-contracting, fixed-term contracts and other forms of self-employment which usually place the worker outside the protection of labour law and social security normally associated with more traditional forms of employment. And there was also the interesting question raised by Mr. Bronstein in his presentation about the need to now look at providing a new impetus to collective bargaining in your countries so that there can be greater room for collectively agreed rules and a shift away from the past and current heavy reliance on statutory law-making.
- Our discussion this morning laid out the difficulties that have already been faced, and continue to challenge you with respect to trying to find the right balance between flexibility and security. This is already a challenge to those countries with established market economies and is particularly difficult for those of you who have made the significant transition from planned to market economies. All of this underscores the need to address these issues through effective social dialogue.

So, as you can see, you have set yourselves a challenging agenda for the future in the area of social dialogue and labour law reform. I would like to conclude with some information and proposals as to how the ILO can continue to work in partnership with you so that you can continue to move forward and achieve your goals. There is already a comprehensive programme of work being undertaken by the ILO in the region and this is of course done through the team of specialists in the ILO's Budapest Office in cooperation with the relevant technical units in Geneva. But let me just highlight a number of areas of work which are part of the work programme and which respond to some of the main points which emerged during this Conference:

- A project on *flexicurity* is being initiated which looks at labour market flexibility and employment security in Central and Eastern European countries. The project will aim to enhance government and social partners capacities and expertise on the interrelationship between employment and social protection systems. This project will undertake research in a number of selected countries and different models will be identified and disseminated at the regional level. Some pilot projects will be initiated as part of a national pact on employment providing *flexicurity* on the basis of social partnership. Another area of employment related research will be to look at the role of the social partners in the development and implementation of employment strategies linked to the EU's Employment Guidelines. It is intended that this research will feed into the discussions at the ILO European Regional Meeting which is scheduled for early 2005.
- *Capacity building of the social partners* will continue to be a focus of our work particularly in relation to broadening their membership base, providing new services to their members, enhancing their knowledge and technical expertise on new labour market issues and trends and to develop their capacity to engage in collective bargaining.

- *Social dialogue* will be promoted at the regional level within countries to develop and implement local economic plans. This is an area for stronger collaboration with between the ILO and the EU, particularly in the context of the structural funds which will have a strong local development focus.
- We will continue to provide assistance in the area of *labour law reform* dealing with issues such as wage guarantee funds, information and consultation rights, discrimination, pension reform, occupational safety and health, working time and gender equality. On sectoral social dialogue, we will continue the work which we started in December 2001 in Prague and will work with a number of specific sectors to build up the capacity for sectoral social dialogue. We are planning at least one further sectoral activity in 2003.
- The final area that I will mention where I think that the ILO has an important role to play relates to *promoting the sharing of your experiences and good practices* both between you but also with those countries in the region who have just started the process of transition. The question of creating some kind of a network of tripartite institutions was raised and the feasibility of this will be looked at by the Budapest team. Already some very interesting exchanges are taking place and the ILO is using experts from your countries, for example in its work with the countries of the former Yugoslavia. So, it is important that we tap into this resource. There is also greater scope for sharing your experiences with each other and we have some interesting examples of this already happening. The ILO would like to develop this further over the coming years.

It just remains for me to thank all of you for your active participation and to everyone who was involved in organizing and running this conference. Thanks to the hotel staff and organizers for the smooth running of the logistics. Let me also thank the interpreters for their skill and patience. Indulge me while I thank my ILO colleagues from the Europe, Budapest and Geneva offices. A most sincere thanks to the Maltese government for their hospitality and support, and to the Deputy Prime Minister in particular for giving

his time at a very demanding political moment. And, most importantly, let me thank all the participants. Without your active and candid involvement, we would have missed the rich discussion which was the basis for such a successful conference on social dialogue.

Thank you.