

ILO Action Programme on Strengthening Social Dialogue in the Utilities Sector (2008-09)

Concept Note

I. Rationale

The utilities of water and electricity are fundamental for the development of modern societies and are a prerequisite for effective poverty eradication and to meeting many of the other Millennium Development Goals. Many developing countries are not yet able to provide equitable, reliable, universal access to water, sanitation and electricity. Management and staff capacity to respond to changing needs and to address reform rapidly and effectively can be strengthened through improved social dialogue. The sectoral action programme would follow on from the Tripartite Meeting on Challenges and Opportunities in the Public Utilities (2003) through capacity building to strengthen social dialogue mechanisms at the enterprise level in selected developing and transition countries. ILO expertise in social dialogue will assist the social partners in developing joint strategies and actions to extend and improve the efficiency of these fundamental services. It is anticipated that two or three countries will be selected in order to ensure sufficient technical and financial resources; experiences from these countries will serve as good practice examples for future action¹.

The 2003 resolution from the Tripartite Meeting on Challenges and Opportunities Facing Public Utilities, requested the ILO Director General to:

(a) Facilitate national, regional and sub-regional meetings of the social partners to promote social dialogue in responding to the current challenges to public utilities in order to meet basic human needs in water and energy, and implement the UN Millennium Declaration;

(b) Facilitate social dialogue by:

- (i) Including municipal utility operators and local authorities in appropriate forums;*
- (ii) Facilitating the dissemination of best practices and guidelines on the restructuring of utilities regarding:*
 - Respect and implementation of the rights and principles of the ILO Declaration on Fundamental Principles and Rights at Work;*
 - The responsibility of governments to regulate and ensure that utilities, which meet human needs are provided;*
- (iii) Promoting knowledge and application of the ILO's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy in the public utilities sector; and*
- (iv) Involving social partners in the design and implementation of any follow up action undertaken by the ILO in the public utilities sector².*

It is suggested that the action programme focus is on municipal utilities companies, which are mandated to provide the essential public services of water and sanitation, energy and waste handling.

¹ GB.298/STM/1/1, para 16

² ILO, Tripartite Meeting on Challenges and Opportunities Facing Public Utilities, Note on the proceedings, (TMCOPU/2003/11), p 36

The great majority of municipal utilities companies sometimes lack access to national developments and modern management practices. However, it is essential that these enterprises improve and modernise if countries are to meet their national commitments under the Millennium Development Goals.

Involving workers and their representatives in the planning of modernisation reforms is important for the successful implementation of the reform strategies. Workers are a great source of knowledge of the operations, and often are closest to the communities and the users they serve. Unions in their turn are able to build confidence, to ensure sustainability and provide key support.

Social dialogue plays a significant role in the development of joint strategies by the social partners to improve utility services, with the common goal of extending access to services to all communities, improving efficiency of delivery and reviewing tariffs and other sources of income collection. The action programme activities will emphasize on the enterprise level, although in some instances it could be appropriate to also examine coordinated national sectoral activities.

II. Action programme objective and strategy

The overall aim of the Action Programme on Strengthening Utilities is to assist governments and the social partners of the participating countries in developing joint strategies and actions to extend and improve the efficiency of the fundamental public utility services. The major means of action will be facilitation and capacity building to strengthen social dialogue mechanisms at the enterprise level in selected developing countries.

III. Expected Outcomes

The Action Programme is expected to come up with the following results and outputs in the participating countries:

Expected Outputs

- Reports on company level surveys and focus group discussions;
- Company level bi-partite reports containing recommendations on how to improve service delivery at municipal level;
- National level report submitted to the government and the key stakeholders (e.g. government donor community).

Expected Results

- Social partners have developed mechanisms and capacity to engage in social dialogue to find mutually beneficial solutions to face the challenges in the utilities sector;
- Selected utilities companies at municipal level have implemented a modernisation plan with the full and active participation of the union and workforce;
- In pilot countries, results of the achieved service delivery improvements of utility companies through social dialogue processes are shared systematically with ministries responsible for water and sanitation and energy, and with the range of utility operators in order to integrate them into the national MDG activities;
- National governments have examples of best practice which can be duplicated elsewhere.

IV. Implementation outline of the action programme:

a) January – December 2008

- Initial meetings to be held with government representatives, selected municipal companies, ILO technical expert(s) and national leadership of trade union organisations in the public sector to review aims of the programme and to develop an implementation framework.
- Company level planning meetings to develop common goals, plans of action, and parameters of the social dialogue between social partners.
- In each participating company, an initial survey and individual interviews with a representative sample of the workforce and the management to be carried out for a situation assessment.
- In each company, consultative meetings to be held with social partners, including focus group meetings with different categories of workers (for example from different departments, permanent and contract workers, women workers) in order to gain from their experience and knowledge on where to make improvements.
- In each company, one meeting to be organized to discuss the results of the survey and focus group discussions between union leaders, managers and ILO technical expert, to find consensus on recommendations and to plan a strategy to implement the recommendations. Follow-up meetings as required can take place in order to finalise the report on recommendations.
- In the participating countries, a national level meeting to review the company reports and to make final recommendations to the national government. If appropriate, the national meeting will include other government agencies such as the Minister of Finance, Public Services, and Gender, and other UN specialised agencies in order to seek political support across the government for the implementation of the recommendations from the report.

b) January –December 2009

- Implementation of the recommendations of the company level social dialogue strategy for an active cooperation between the management and the workforce (or: social partners) aiming to achieve sustainable improvement in efficiency and quality of services in the utilities sector.
- National meetings to share best practice and evaluate the achievements of the programme.

V. List of participating countries

Upon the discussions with the governments and employers' and workers' organisations and the ILO regional offices, the following three countries have been selected for participation in the Action Programme: Malawi, Nigeria and Peru.