



# **SOCIAL DIALOGUE:** **THE BASIS FOR SUSTAINABLE** **DEVELOPMENT**

November 2018

Mondiaal **FNV**

# SOCIAL DIALOGUE: THE BASIS FOR SUSTAINABLE DEVELOPMENT

## PREFACE

A while ago, the FNV stood before the South Korean Embassy to demand the release of my colleague, trade union president Han Sang-gyun. It was unacceptable: someone who stands up for workers and the unemployed was locked up behind bars. This was not only a clear violation of the fundamental human right to organize, but also a sign that the trade union movement in South Korea is not considered a partner in dialogue, a representative of South Koreans on the subject of work and income. This brochure explains why this is a missed opportunity.

Consultation as we know it in the Netherlands is not self-evident in many countries, where governments do not even recognize the right of workers to organize as a trade union. Dutch companies that sit around the table with trade unions in the Netherlands do not automatically do so abroad. And the supply chains of many companies do not automatically recognize the right to exist of trade unions, let alone the right to consultation and negotiation with employers.

The majority of large Dutch companies subscribe to international standards such as the OECD Guidelines for Multinational Enterprises and fundamental labour rights. But the implementation of these rights is often a complicated matter. Trade unions, companies and other social organizations work on remedying this within initiatives such as International Corporate Social Responsibility (ICSR) covenants. After all, organized consultation within the entire chain is the most important factor for sustainable improvement. This applies not only to employees in the Netherlands but also to women who manufacture our jeans in Bangladesh, as well as to those who pick palm oil fruit in Colombia for our peanut butter.

This brochure details the principles of social dialogue, what it requires, and the ways in which we can contribute to this from the Netherlands. Dialogue sounds like a lot of talking but it is principally about doing. In mid-May last year, trade union leader Han Sang-gyun was finally released by South Korean authorities. Outside of the prison, he was as feisty as ever, thanking people for the worldwide support he received. He will carry on with his struggle and will hopefully soon be the trade union leader in the South Korean dialogue on work and income.

Han Busker  
*FNV President*



Photo: Mondiaal FNV

# 1. WHAT IS SOCIAL DIALOGUE?

## SOCIAL DIALOGUE AS BOTH END AND MEANS

The International Labour Organization (ILO) of the United Nations defines social dialogue as follows: “All types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.”

Social dialogue is the fourth pillar of the ILO’s Decent Work concept, which further includes the respect of fundamental labour standards, the promotion of job creation and social protection. Social dialogue is both an end and a means. It is essential to obtain and maintain Decent Work, and guarantees the involvement and democratic participation of the people concerned.

In practice, the umbrella ILO definition includes many different systems, mechanisms and cultures in various countries. But the core idea remains the same: to find solutions and reach agreements together, from collective bargaining agreements (CBAs) to national employment pacts, and from consultations on health and safety at work to pension agreements.

## SOCIAL DIALOGUE OCCURS AT SEVERAL LEVELS

Social dialogue involves consultation at all levels, formal and informal, with two or more parties. The focus is often on national tripartite structures such as the Social Economic Council of the Netherlands. But consultation is in fact important at all levels.

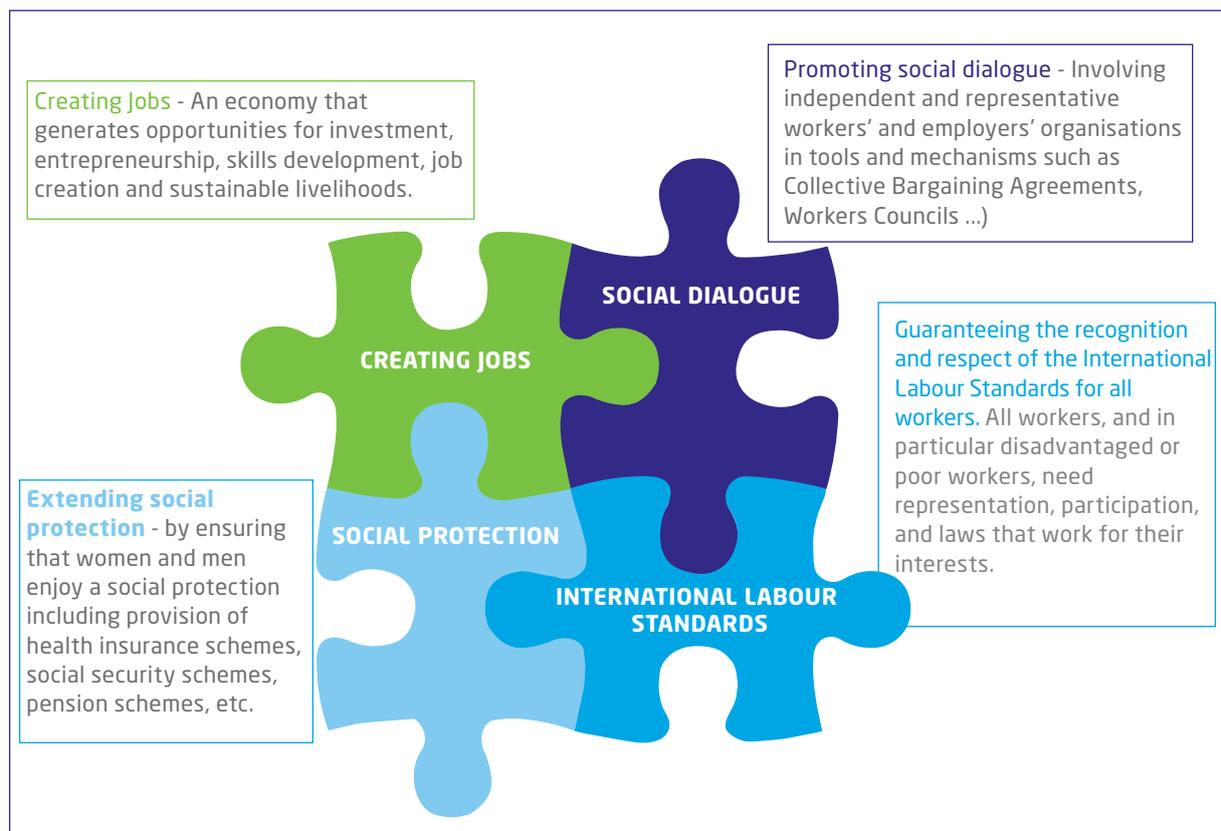
LEVELS OF SOCIAL DIALOGUE	
International	ILO (as tripartite organization). Tripartite consultation within the OECD. Global Framework Agreements between multinationals and Global Union Federations. International agreements such as the Bangladesh Accord on Fire and Building Safety.
Regional	European dialogue (EESC). Dialogue in economic regions in other parts of the world, including for instance the East African Community, Andean, ASEAN, SAARC.
National	National tripartite consultation: government, employers’ organizations, trade unions. Broader national consultation including other social organizations (multi-party). Bipartite national consultation such as the Dutch Labour Foundation. International CSR covenants.
Sectoral	Bipartite consultation at sectoral level between branch organizations and trade unions. Sectoral CBA consultations.
Company	CBA consultations. Participation. Health and Safety Commission. Ongoing consultations.

## SOCIAL DIALOGUE NEEDS STEERING: THE ROLE OF STATES

According to the United Nations Guiding Principles on Business and Human Rights (UNGPs) States must create the conditions for a well-functioning social dialogue and deliver an environment that promotes social dialogue. States must ensure effective legislation, policy and means, including the ratification and implementation of ILO Conventions 87, 98 (right to organize and to collective bargaining processes) and 144 (tripartite consultation). They must also create institutions in which the national (tripartite) dialogue can take place.

These institutions should not be dominated by the State itself, but should provide room for an equal input by the different entities.

Legislation and regulations must enable negotiations between employers' organizations and trade unions. Certain countries have rigid legislation on trade union organization that restricts the functioning of trade unions in practice (and sometimes also of employers' organizations). In addition, States should provide reliable statistical data and economic and social analyses. This is necessary to reach well-considered proposals based on arguments.



## AN EXAMPLE OF SUCCESSFUL SOCIAL DIALOGUE

# PERU

## THE CREATION OF A LABOUR ASSOCIATION



Photo: Maracuyá

After President Ollanta Humala took office in Peru in 2011, the time seemed ripe for less conflict and more social dialogue. Following years of dictatorship Peru had no culture of consultation, so nearly everything needed to be rebuilt from the ground up. This is why the CGTP confederation gave a prominent role to social dialogue in its projects with Mondiaal FNV.

As contacts intensified, the SNI employers' organization and the CGTP confederation came to the conclusion that institutionalized bipartite consultations at national level could contribute to a better alignment of employers and workers and to a stronger joint position towards the Peruvian government. This resulted in the official creation of the Peruvian Labour Association in June 2018.

### WHAT WAS THE ROLE OF MONDIAAL FNV?

- The FNV explained on a number of occasions, in particular to trade unions in Peru, the organization of social dialogue in the Netherlands, the functioning of the Dutch Social Economic Council and Labour Foundation, and also the manner in which CBA negotiations take place as well as the organization of sectoral consultations.
- A joint working visit to the Netherlands by SNI and CGTP in 2014 led to a breakthrough in the process. The members of the delegation got along well and the importance of bipartite consultations, as take place at the Labour Foundation in the Netherlands, became clear to participants.
- From then on, the Dutch Employers Cooperation Programme (DECP) of the VNO-NCW business organization also became involved in the process. The first collaboration agreements between SNI and CGTP were recorded in the Amsterdam Accord.
- Then VNO-NCW, FNV and the Dutch Labour Foundation were invited to SNI's annual Week of the Industry in 2015. It was the first time that trade unions attended the event: a forum was dedicated to social dialogue.
- In October 2016 SNI and CGTP representatives followed a three-week traineeship at the Dutch Labour Foundation, organized by Mondiaal FNV and DECP, in collaboration with the Labour Foundation.
- FNV and DECP gave ongoing advice on the creation of the Peruvian Labour Association and on social dialogue in a broader sense. For instance a training in negotiation was given by DECP, in which trade unions also participated.
- Collaboration takes place in various sectors, such as vegetable and fruit export, construction, metal, the food industry and the telephone market.

## 2. WHAT ARE THE BENEFITS OF SOCIAL DIALOGUE?<sup>1</sup>

Much research has been carried out into the effect of social dialogue on the economy and democracy. The ILO, the OECD, the IMF and academic research all find a connection between social dialogue, an increase in productivity and a decrease in inequality.

- Dialogue prevents conflict and promotes social peace. The 2015 Nobel Peace Prize for the Tunisian National Dialogue was a recognition of social dialogue in the service of peace and the prevention of conflict during a period of transition.
- Social dialogue legitimizes public policy through citizen ownership: it fosters participatory democracy based on accountability, transparency and oversight.
- Social dialogue contributes to gender equality and the fight against discrimination.
- Consultation leads to improved productivity and fewer work-related accidents.
- Social dialogue enables the development of strategies to formalize the informal economy and promote inclusive economic growth with good job opportunities.
- Social dialogue reduces inequality.

*“Strong social partners and a good social dialogue can play an important role in the economic and social development process in a country, as evidenced by examples from various countries. A good social dialogue results in fewer strikes, improved protection of employees, greater employee satisfaction, increased employment and higher labour productivity. In many Western democracies, social dialogue has made an important contribution to growth and continued prosperity.”*

(Options for social dialogue and the importance of trust between employers and employees. Dutch Employers Cooperation Program, brochure, 2017)

<sup>1</sup>The reported advantages of social dialogue have been borrowed from the “Context Analysis Social Dialogue” by Jan Dereymaeker for Mondiaal FNV. See also, ILO report “Social Dialogue. Recurrent discussion under the ILO Declaration on Social Justice for a Fair Globalization: Report VI International Labour Conference, 102nd session, Geneva 2013”.



Photo: APVVU

## AN EXAMPLE OF SUCCESSFUL SOCIAL DIALOGUE

# UGANDA

## THE UHISPAWU FLOWER TRADE UNION: A COMPETENT PARTNER IN DIALOGUE



Photo: Compass Media

In Uganda women account for 80% of the flower sector workers. They are mostly young single mothers, or else older women who support their children and grandchildren. Wages are far below a living wage which means that it is practically impossible to support a family on them. In addition, working conditions are bad, such as working times, health and safety on the job, and freedom of association. Women in the sector often suffer from sexual intimidation on the job and they receive lower wages than men for equal work. The UHISPAWU trade union needed to reorganize and build capacity in order to adequately negotiate in a social dialogue context.

### WHAT WAS THE ROLE OF MONDIAAL FNV?

- FNV and the UHISPAWU flower trade union developed a relationship in 2014 during a mission of a former FNV president, supported by Mondiaal FNV. Dutch flower companies in Uganda had requested the mission that aimed to mediate between the companies and the trade union. However, the mission resulted in a motion of no confidence and the resignation of the sitting president and vice-president of UHISPAWU.

- The new board was young and inexperienced but very driven. Mondiaal FNV and FNV Agrarisch Groen supported UHISPAWU from May 2015, to give its new board the opportunity to develop and to rebuild the trade union.
- Capacity building activities received financial support and an official of FNV Agrarisch Groen gave the board intensive coaching.
- In 2016 CBA negotiations between UHISPAWU and the flower companies broke down completely. After the FNV official mediated between the Uganda Flower Exporters Association (UEFA) and UHISPAWU, and the general secretary and two shop stewards of UHISPAWU received extensive training in the Netherlands, the trade union managed to renew the dialogue with the companies. This resulted in new agreements on wage increases and the mutual recognition of UEFA and UHISPAWU.
- In order to renew the dialogue it was very important to map the required negotiation steps and to determine the topics to be discussed. In applied negotiation training the UHISPAWU board learnt how to negotiate more strategically without letting emotions get the upper hand. Then the companies saw UHISPAWU as a competent negotiation partner and took the dialogue seriously.

# 3. SOCIAL DIALOGUE AND THE SUSTAINABLE DEVELOPMENT GOALS

A joint effort is required by all social actors in order to meet the 2030 Sustainable Development Goals (SDGs). Several SDGs are important to the trade union movement and its members, including **SDG 1** (no poverty), **SDG 5** (gender equality), and especially **SDG 8** (decent work and economic growth). **SDG 17** (partnership for the goals) deals specifically with the need for collaboration between governments, the business community and civil society. A successful agenda for sustainable development requires partnerships.

Three principles are of fundamental importance for the Development Effectiveness Agenda<sup>2</sup> that focuses on effectiveness in development collaboration: democratic ownership, inclusion and accountability. Social dialogue is key for bringing these principles to life: it offers a model to bring together the government, employers and workers (and often other social actors too). Social dialogue plays a role in different domains, from stimulating economic growth and redistribution, to contributing to the development of peace and trust in post-conflict situations.

## THE GLOBAL DEAL: SOCIAL DIALOGUE MAKES GLOBALIZATION WORK FOR EVERYONE

The Global Deal is a worldwide collaboration that aims to promote social dialogue in all its forms in order to address the challenges and problems of a globalized labour market so that everyone may benefit from it.

The Dutch government and FNV have signed the Global Deal together with 75 partners to date: 25 employee organizations and/or trade unions, 25 companies and/or employers' organizations, and 25 government entities. Many international trade union organizations such as the International Trade Union Confederation (ITUC), the European Trade Union Confederation (ETUC) and the Global Union Federations (worldwide trade unions per sector) have also signed. The ILO and OECD support the initiative.

Sustainable Development Goals



<sup>2</sup>The Development Effectiveness Agenda refers to The Busan Partnership agreement (2011) that provides a framework for ongoing dialogue and efforts to increase the effectiveness of the development agenda.

The Global Deal wants to bring governments, companies, trade unions and other organizations together for this purpose. The point of departure is that effective social dialogue can contribute to decent work, better jobs, improved productivity, a level playing field between companies, and eventually more prosperity, equality and inclusive growth.

It is a multi-stakeholder collaboration which ties in with **SDG 17** (partnerships) of the UN 2030 Agenda for Sustainable Development. In addition it is a concrete implementation of a number of other Sustainable Development Goals such as **SDG 8** (decent work and inclusive growth) and **SDG 10** (reduced inequalities).

*“Well-functioning industrial relations - where freedom of association is respected and where trade unions can bargain collectively - are key to achieving fair living wages and improved working conditions in our supply chain.”*

Karl-Johan Persson, CEO, H&M

Global Deal: Thematic Brief Achieving Decent Work and Inclusive Growth: THE BUSINESS CASE FOR SOCIAL DIALOGUE



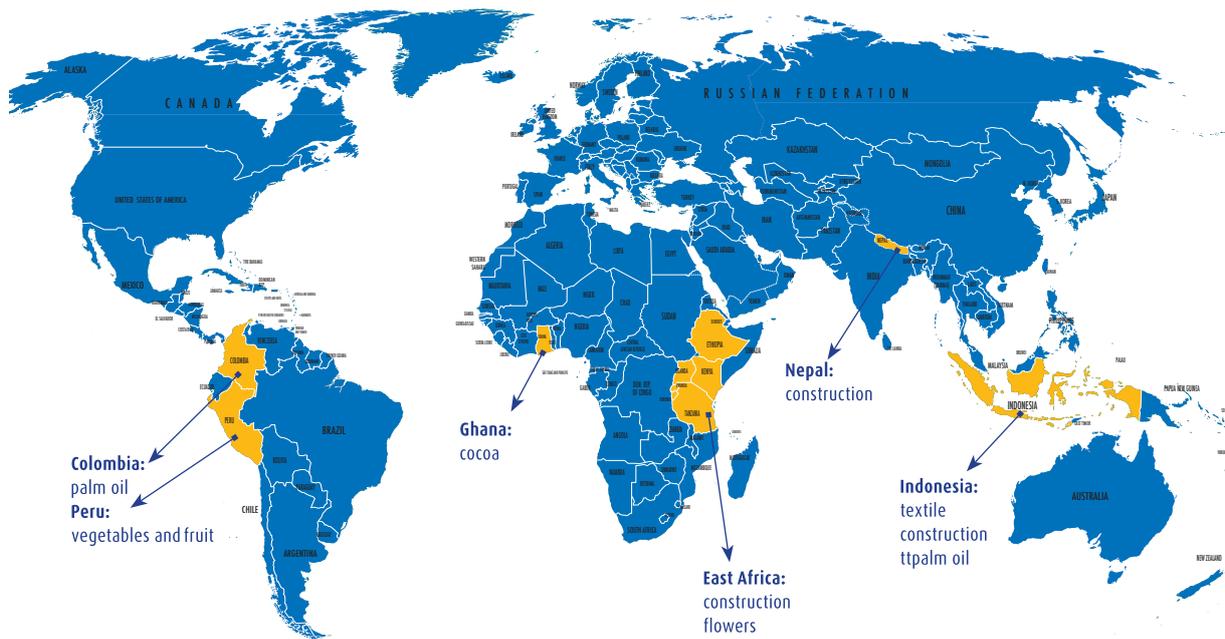
Animation: Cooler Media

# 4. WHAT DOES MONDIAAL FNV DO?

The promotion of social dialogue is the main theme of Mondiaal FNV's 2017-2020 programme. The other priority is the improvement of working conditions in high-risk sectors such as clothing, palm oil, ship breaking, cocoa and vegetables, and fruit and flowers.

The promotion of social dialogue is also an important strategy in the programmes aimed at these chains. We have social dialogue programmes in the following countries: Colombia, Peru, Nepal, Indonesia, Ghana and the East Africa region.

**WE HAVE SOCIAL DIALOGUE PROGRAMMES IN THE COUNTRIES SHOWN IN YELLOW ON THE MAP. WE ARE ALSO COMMITTED TO SOCIAL DIALOGUE IN THE LISTED CHAINS.**



The nature of the country projects may vary. In the East African Community we work at regional level with the aim of supporting the regional trade union confederation in its dialogue with the regional government and regional employers' organizations. Together they call for better regulations for labour migrants in the economic zone. In 2011 in Indonesia the confederations succeeded in coming to a good agreement with the government on social security for all Indonesians. This process is supported financially by Mondiaal FNV. Unfortunately the atmosphere for dialogue has worsened in the past years.

In **Colombia** trade unions are closely involved in the dialogue relating to the peace process and they now participate in a round table with the mining and energy sectors in order to bring about an energy transition and the development of former conflict areas. Mondiaal FNV supports this too. In addition, FNV has been asked to explain the energy transition, including the policy conducted after the closure of mines in the Dutch Limburg Province.

Therefore, the activities of Mondiaal FNV show much variation. In principle, the local (or international) trade unions with which we work carry out the activities themselves on the basis of their own priorities. If expertise of the FNV, or the FNV and DECP together, is helpful, then we also contribute to knowledge transfer and the exchange of experiences.

Activities with our partners can be divided into four categories: capacity reinforcement, research and knowledge, alliance building, and lobbying and influence. The programme pays special attention to the position of women and to informal workers and vulnerable groups on the labour market.

## CAPACITY REINFORCEMENT

Workers are stronger in negotiations if trade unions are representative and have an adequate capacity for negotiation and dialogue. Many projects include elements aimed at the organization of campaigns and the strengthening of trade unions in general.

When trade unions are still immature, attention is paid to basic training and information, and protection when needed.

### LOBBYING AND INFLUENCE

If trade unions experience many impediments resulting from the violation of trade union rights, or if trade unions are not asked to sit at the table, Mondiaal FNV can contribute by putting pressure on the government or on companies in the chain. Or we support our partners in their lobbying.

### RESEARCH AND KNOWLEDGE

If a union is strong this does not automatically mean that it is also capable of functioning properly in a dialogue or negotiation process. This is why our activities are also aimed at the capacity to make sound proposals on the basis of reliable information. Research can be useful for this, as can training. There is also a focus on negotiation skills and conflict prevention, and on comparing strategies. In addition, there is a mutual transfer of know-how between countries.

### BUILDING ALLIANCES

In the countries where we work partners can broaden their support and increase their clout by entering into alliances with social organizations for instance.

Mondiaal FNV works together with the Dutch Employers Cooperation Programme (DECP) of the VNO-NCW business organization. Together we organize missions, visits to the Netherlands or internships. We also try to develop trust in countries that have a culture of mistrust. We only do this when are asked to. We notice that it works well if Mondiaal FNV works with the trade unions while DECP works with the employers' organizations, and we furthermore both work together to foster a culture and practice of social dialogue.

We also work together with other organizations, such as our sister organizations in Scandinavia in particular, as well as with CNV Internationaal and the Fair Wear Foundation in the "Strategic Partnership for Garment Supply Chain Transformation". In addition, FNV is active in a number of international CSR covenants for which we collaborate with companies, branch organizations and NGOs.

### GENDER AND THE INFORMAL ECONOMY

Gender is an important focal point within the social dialogue programme: How are the interests of women workers represented in the dialogue or negotiation? Do the analyses or proposals take these into account? Are women involved in the process? There is also attention for the manner in which people without a fixed contract and/or people in the informal economy can be represented in the dialogue.



Animation: Cooler Media

# 5. WHAT CAN YOU DO?

## THE DUTCH GOVERNMENT

The Dutch government can contribute in various ways to the promotion of social dialogue:

- By encouraging Dutch companies to involve local trade unions in their due diligence policy on their chains.
- By focusing on social dialogue and involving trade unions in their programme during trade missions.
- By organizing meetings on social dialogue at embassies and exchanging good examples. By specifically inviting pertinent parties, and in any case, the trade unions.
- By visiting factories and shop floors in the various countries and collecting knowledge on local practices relating to social dialogue.
- By defending fundamental rights and expressing concern when the social dialogue is under pressure and the organization in trade unions (and sometimes employers' organizations) is a risky operation.
- By actively creating a space for discussing social dialogue with political contacts.
- By encouraging governments to ratify ILO's Fundamental Principles, and in particular, ILO's conventions on the right to organization and negotiation (Conventions 87 and 98) as well as the convention relating to tripartite consultation (Convention 144).
- By mentioning positive examples of social dialogue in meetings with governments and the business community.
- By embedding fundamental labour standards and social dialogue within negotiations and trade agreements.

## CERTIFICATION ORGANIZATIONS

- Include trade unions in the verification processes.
- Ask specifically about the dialogue. Does the company regularly consult with trade unions? And not only about the CBA? Are concrete agreements made? Are they respected?
- Ensure that social dialogue is part of the implementation of improvement programmes, that priorities are determined through consultation between employer and employees, and that a joint action plan is drawn up.
- Communicate good examples to the companies that are to be verified and highlight that regular consultation with trade unions is essential.
- Ask national or international unions for advice if there are no trade unions on the spot.
- Ask Mondiaal FNV for advice.
- Ask DECP for advice, [www.decp.nl](http://www.decp.nl)

### MORE INFORMATION:

Mondiaal FNV employees work together with partners in the various countries (see overview of countries on p. 8).

You can request more information at Mondiaal FNV [mondiaal@fnv.nl](mailto:mondiaal@fnv.nl) or click on [www.mondiaalfnv.nl](http://www.mondiaalfnv.nl)  
Social Dialogue Coordination Programme:  
Astrid Kaag [astrid.kaag@fnv.nl](mailto:astrid.kaag@fnv.nl)



Photo: Mondiaal FNV

## AN EXAMPLE OF SUCCESSFUL SOCIAL DIALOGUE

# INDIA

## IMPLEMENTATION OF SOCIAL SECURITY LAWS FOR INFORMAL WORKERS



Female farm labourers in India receive health insurance

Photo: APVVU

Since 2008 there is special legislation on social security for informal workers in India. However, the implementation of this legislation leaves much to be desired. For instance, most informal workers have no access to a living pension and there is no safety net if people find themselves unable to work for different reasons.

Our partners, coordinated in the National Alliance for Social Security (NASS), organize lobbying and campaign activities to force the implementation of the law. Workers are also stimulated to set up tripartite social security structures. Special attention is paid to pension schemes for informal workers as well as to employment programmes for people who carry out seasonal work, for instance, and are unemployed part of the year. This has led to concrete results.

At national level the members of the NASS platform have handed in common amendments for a better implementation of the social security law.

At federal level improvements in the scheme have already been reached in several states. In Andhra Pradesh State informal workers are now also represented on the board of the Welfare Board, and social security structures have been developed in Bihar and Gujarat. In Tamil Nadu the input in the tripartite social dialogue is based on consultation between affiliated members of the SAVE partner. Within one week 25,000 members were reached via mobile telephone and all 70,000 members were consulted within one month.

### WHAT WAS THE ROLE OF MONDIAAL FNV?

- Since 2014 Mondiaal FNV supports a social security country programme for informal workers in India. On this topic NASS acts as the platform in the name of the organizations.
- The FNV has supported NASS financially.
- There have been visits between the partners in India and in Bangladesh to exchange experiences with social dialogue.

