

# Decentralised cluster seminar on capacity building, focused on candidate countries



International  
Labour  
Organization



# State of play of the national social dialogues, examples from Albania, North Macedonia, Montenegro and Serbia

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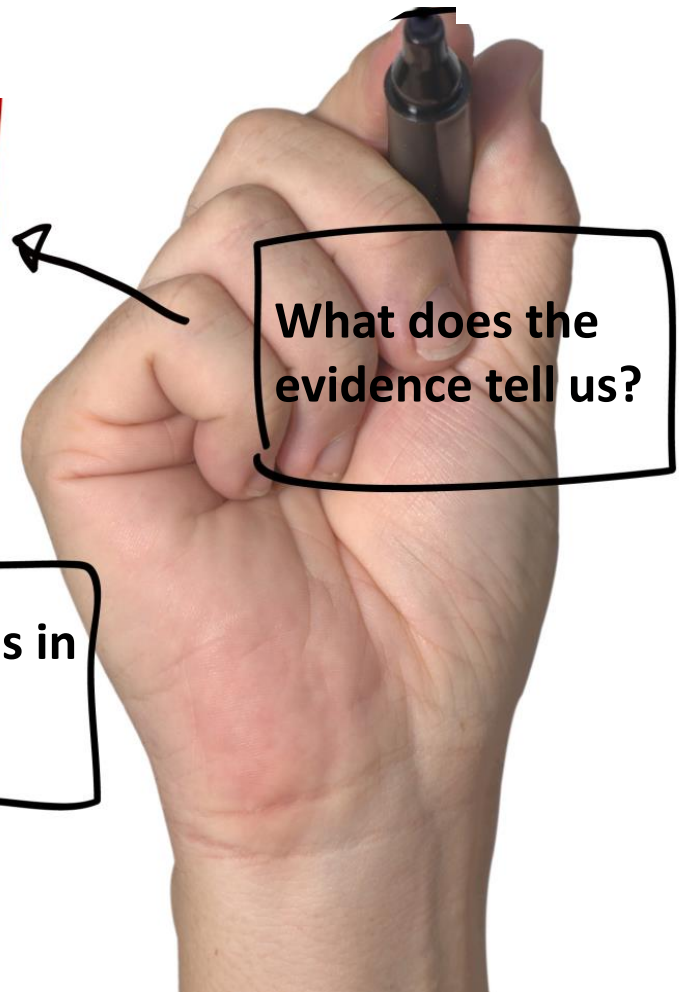
**Theory of change**



**What can you get in the next 15 Min ?**

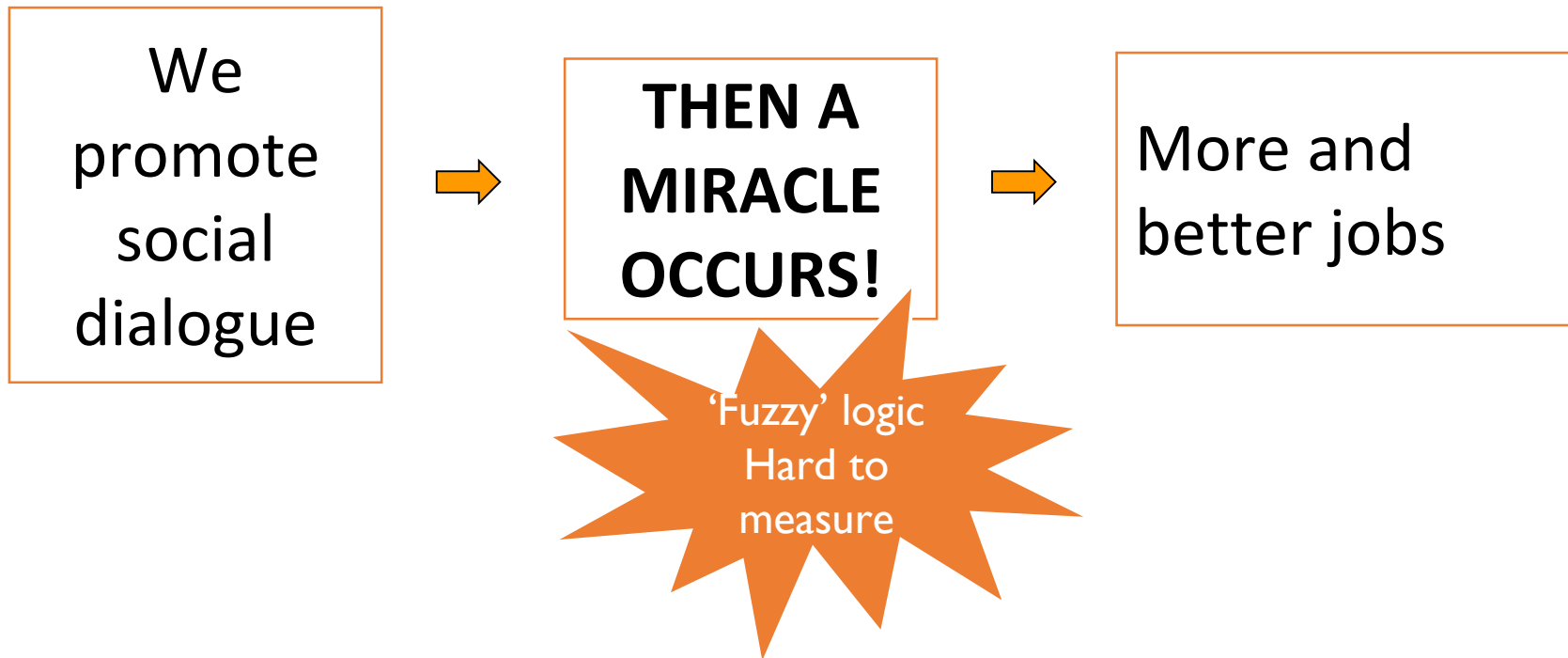


**Our experiences in the region**

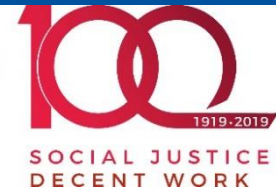


**What does the evidence tell us?**

# Theory of Change (as often applied)



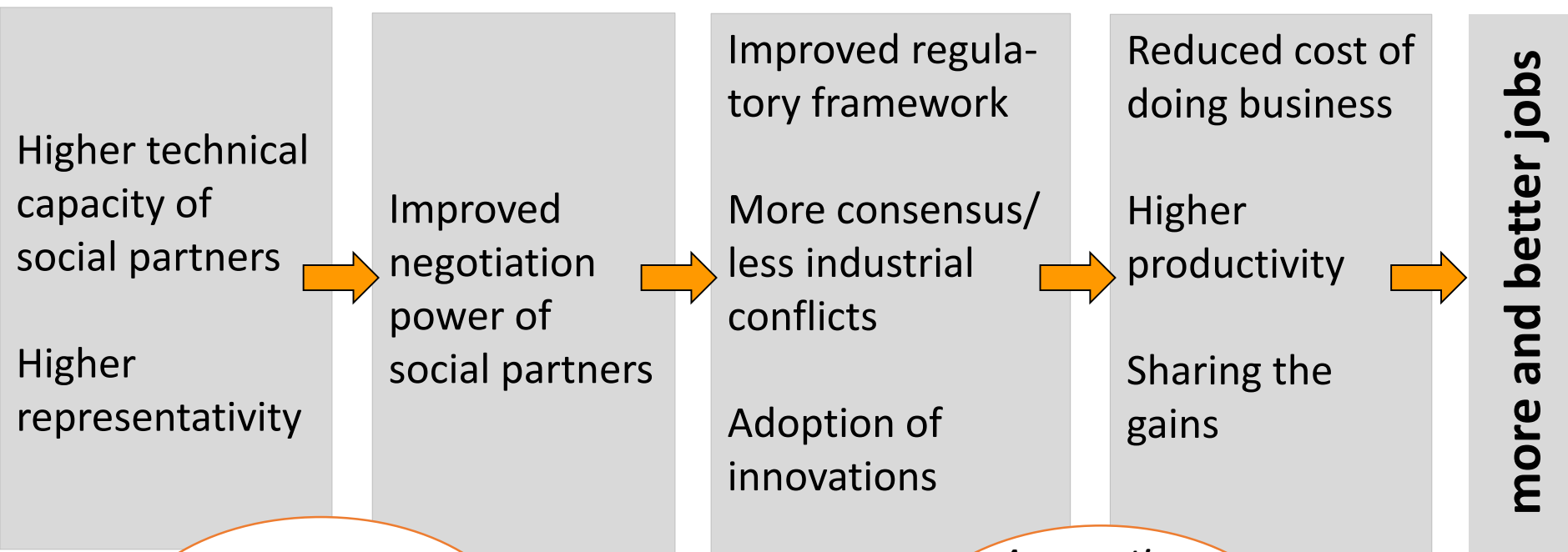
# Theory of Change (refined)



## OUTPUTS

## OUTCOMES

## IMPACT



*Assumption:*  
Political Will to  
have social  
dialogue

*Assumption:*  
Potential benefits of SD are  
higher than the  
cost



# What does the evidence tell us?



<b>Level of Social Dialogue</b>	<b>Findings</b>
Company Level	Higher productivity Business growth Lower staff turnover
National or Sector level	Higher productivity Wage moderation Pay equity

Source: ILO 2017



# The context



A challenging environment:

- Recurrent political instability
- Deficit of effective social dialogue
- Low profile of social dialogue institutions
- Culture of social dialogue and compromise still at an early stage
- Low participation of the social partners in the labour market governance

# Albania



- The National Labour Council (NLC) recomposed in March 2018 under the Chair of the Minister of Finance and Economy
- NLC Secretariat re-established but remains understaffed
- NLC deals with an increasing number of topics (minimum wage, employment promotion and VET laws, representativeness criteria)
- Issues:
  - inconsistent attendance by ministerial representatives
  - low meeting frequency,
  - heterogeneous composition of NLC,
  - lack of consensus of the social partners on representativeness criteria, and
  - no systematic follow up

# North Macedonia



- All line ministries obliged since April 2019 to send their draft legislative and policy initiatives to the ESC prior to Government approval
- Serious technical capacity challenge for the ESC secretariat and its standing committees
- Collaboration with the academia, research institutes and non-representative trade unions and employers' organizations enhanced
- Labour law reform going well
- Issues:
  - Lack of dedicated budget for the ESC,
  - limited technical capacity of its secretariat and specialized standing committees,
  - low presence of senior governmental representatives,
  - very limited outreach to the general public are among the remaining challenges.



# Montenegro



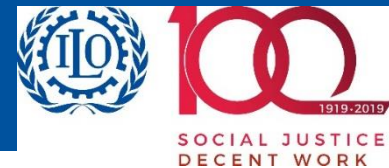
- The number of representatives of each party reduced to maximum eight by the Law on the Social Council in 2018.
- Representation of other line ministries, in particular economic ministries, increased and a rotating presidency introduced
- A tripartite consensus on the minimum wage and labour taxation reached in the Council
- Labour code revision about to be completed in October 2019
- Issues:
  - Social partners expect more engagement from other line ministries,
  - The law on the state budget ought to be discussed by the Council,
  - Council expenditure requires better monitoring.

# Serbia



- ESC of Serbia budget increased for the last consecutive years
- Regular participation of the Minister of Finance, among other ministers, in the ESC meetings.
- Out of 87 laws adopted in 2018, only 27 were discussed in the ESC. In 2019, the ESC's opinion was sought on 52 draft laws.
- New labour legislation progressing very slowly (Law on ESC, Law on Strike, Law on Social Entrepreneurship, etc.), whereas new Labour Law is planned for 2021
- Issues:
  - Long-standing question of representativeness burdens the collective bargaining and affects the relevance of the ESC;
  - Limited analytical/technical capacities of the social partner organizations
  - Slow pace of labour legislation reform

# Effects of Labour Law reforms in CEE



- Collective bargaining decentralized to company level
- Thresholds for representativity increased
- Social dialogue institutions neglected

 Leading to a further marginalization of social partners



for further reading



International  
Labour  
Office  
Geneva



Social Dialogue  
and Economic Performance  
What matters for business - A review

Damian Grimshaw  
Aristea Koukiadaki  
Isabel Tavora



CONDITIONS OF WORK AND EMPLOYMENT SERIES No. 89

INWORK



THEMATIC BRIEF

Achieving Decent Work and Inclusive Growth:

THE BUSINESS CASE FOR

# SOCIAL DIALOGUE

