



► Policy Brief

May 2020

The need for social dialogue in addressing the COVID-19 crisis

Introduction

The COVID-19 pandemic is taking human lives, putting health systems under enormous strain and causing massive economic and social disruption across the globe.

Such a complex crisis, with far-reaching consequences for all, needs to be addressed by a whole-of-society approach through action by governments acting together with their social partners in the world of work. It calls for effective tripartite social dialogue and cooperation, bringing together governments and employers' and workers' organizations to undertake a comprehensive needs assessment covering all dimensions (health, social and economic) and design effective strategies and policies to mitigate the socio-economic consequences of the crisis, protecting workers and their families, especially the most vulnerable, from the loss of jobs and income, and enterprises from bankruptcy. [The Employment and Decent Work for Peace and Resilience Recommendation, 2017 \(No. 205\)](#), calls for all crisis response measures to be developed and promoted through gender-inclusive social dialogue and for Members to recognize the vital role of employers' and workers' organizations in this respect, taking into account the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98).

Social dialogue is a key instrument for sound governance of complex situations for at least three reasons. First, through information-sharing between the tripartite constituents, the quality of policy design and strategies for crisis response and recovery can be enhanced; second, social dialogue builds ownership and commitment to these policies, easing the way for their rapid and more effective implementation; and third, social dialogue helps create the trust

that is needed to overcome differences and enhance social cohesion and resilience as countries seek to rebuild the fabric of their economies and societies in the longer term.

Social dialogue in times of crisis: What have we learned from past experiences?

Social dialogue, based on respect for freedom of association and the effective recognition of the right to collective bargaining, has a crucial role to play in designing policies to promote social justice. Social dialogue and tripartism are crucial for democracy and good governance and can be drivers for economic and social resilience, competitiveness, stability and inclusive growth and development. Social dialogue, at any time, promotes the democratic participation in the policy-making process of the people most directly concerned. At times of crisis, when the stakes are so high, such participation is all the more important.

Despite the unique nature of the COVID-19 pandemic, certain parallels can be drawn with earlier crises regarding the role of social dialogue in devising timely and targeted responses to support employment and economic recovery. In particular, the management of the financial crisis of 2008-09 offers some useful insights. From the outset of the financial crisis, social dialogue proved an important tool of effective crisis management in many countries, at both macro and micro levels. At the macro level, it helped governments to adopt important stimulus packages in consultation with the social partners that helped to protect workers' jobs and income, promote enterprise sustainability and accelerate recovery. At the meso level, it could help tailor responses to particular conditions facing

a sector. At the micro level, it allowed employers and workers and their respective organizations to negotiate innovative solutions adapted to specific situations and challenges existing at the sector and enterprise levels, also facilitating acceptance of and support for sometimes painful enterprise restructuring measures. At the international level, an ILO Global Jobs Pact was adopted to promote a productive recovery centred on investment, employment and social protection.

► **Box 1: The Global Jobs Pact during the Great Recession**

The Global Jobs Pact adopted in 2009 by the International Labour Conference provided policy guidance to the ILO's tripartite constituents on how to deal with the impacts of the crisis. It emphasized the role of social dialogue in building employers' and workers' commitment to joint action with governments needed to overcome the crisis, ensure a sustainable recovery and also inspire confidence in the results achieved. The Pact paved the way for enhanced social cohesion and solidarity during the crisis and post-crisis periods.

Lessons learned from past crises include:

- Countries having experience of social partnership and well-established social dialogue institutions are more likely to formulate rapid and effective tripartite responses;
- Governments should involve the social partners at the earliest possible stage of crisis response;
- The social partners should be proactive in quickly bringing the concerns of labour market actors at the grassroots level to the attention of the public authorities;
- With political will, the tripartite partners can achieve consensus on targeted measures to help workers and enterprises particularly hard hit by the crisis; the crisis context can even provide an opportunity to overcome previously adversarial industrial relations;
- Addressing the immediate consequences of the crisis should be accompanied by a commitment to give priority attention in the longer term to protecting and promoting employment through sustainable enterprises and quality public services, as well as to promote full respect for labour standards and decent work;
- Free, independent, strong and representative employers' and workers' organizations, trust among the actors and respect by the government for

the autonomy of the social partners are essential preconditions for effective social dialogue;

- While social dialogue is an important tool for bridging differences and building consensus, it cannot solve all the problems on its own. Sound public policies and regulations and appropriate fiscal space are especially crucial in the crisis context.

Social dialogue in response to the COVID-19 pandemic: Emerging practices

ILO assessments of country responses to the COVID-19 crisis point to the fact that social dialogue has been used to good effect in the early stages of crisis response in many countries.

Timing of the engagement with the social partners: Governments of many countries have involved the social partners from the very outset in the design of measures to address the crisis and its consequences (Germany, Morocco, Republic of Korea and Switzerland). In some instances governments (for example, Republic of Korea) have called for the support of workers' and employers' organizations. This has facilitated the rapid implementation of the emergency measures adopted, thus recognizing the added value of social partners' involvement at all stages of policy response.

► **Box 2: Republic of Korea**

As early as 6 March the Government and the social partners issued a Tripartite Declaration to overcome the COVID-19 crisis with measures aimed at preserving employment and protecting the workers most exposed to the virus and also at easing the tax burden on small business owners. This was complemented by a "Health Care Sector Tripartite Agreement" signed on March 19. The agreement specifies obligations for labour and management aimed at promoting occupational safety and health (OSH) and patient safety, stopping the propagation of the virus, preventing exhaustion of medical staff, improving the working environment in healthcare facilities, and preserving employment in the sector.

Source: https://www.ilo.org/global/topics/coronavirus/country_responses/lang-en/index.htm#KR

Economic, Social and Labour Council: *Healthcare Sector Committee Agreed on COVID-19 Countermeasures*; Newsletter, 26 March 2020.

Nature of the social dialogue: Dialogue varies from the exchange of information and consultation between government and the social partners (for example, Botswana, France, Morocco and United Kingdom) to the adoption of formal tripartite agreements (for instance, Barbados, Czech Republic, Denmark, Ethiopia, OPT1 and Sweden). Given the need for social distancing, many countries have initiated “virtual” dialogue using video conference and ICT resources (for example, Czech Republic, France and Spain). In some countries a tripartite mechanism has been put in place to devise policy responses and follow up on decisions taken (for instance, Belgium, Botswana, Pakistan, South Africa and Switzerland). In Switzerland, regular meetings are now being held in the framework of four tripartite working groups (on legal, fiscal, workplace and sectoral aspects, respectively) following on from the first tripartite meeting held between the Federal Government and the social partners on 5 March 2020.

Type and level of government representation: Some countries (such as Japan, Portugal, Serbia and Spain) have included several ministers who are responsible for specific sectors such as the economy, tourism, transport and infrastructure, in addition to ministers of labour, in the tripartite consultations. In a number of countries (for instance, Argentina, Czech Republic, France, Republic of Korea, Spain and Tunisia) the dialogue has involved the state authorities at the highest level - the President, Head of Government or Speaker of Parliament. This practice demonstrates the value attached to dialogue with the social partners and recognition by the government of the social partners' contribution to the country's efforts to contain the COVID-19 pandemic and mitigate its socio-economic impact.

Types of policy measures adopted through social dialogue: Measures adopted through social dialogue range from emergency action to contain the virus (for example, increased financial and human resources for health systems), to parental leave for the care of children no longer in school, to measures to protect jobs and workers' income (for instance, extension of partial unemployment mechanisms, income support, short-time work) and support for enterprises (for example, wage subsidies, loan guarantees and flexible payment schedules for tax and social security contributions). Following consultations with the social partners, many governments in all regions (including Argentina, Azerbaijan, France, Germany, Italy, Republic of Korea, Portugal, Sweden and Tunisia) have announced economic stimulus packages aimed

► Box 3: South Africa

The National Economic Development and Labour Council (NEDLAC) of South Africa held an emergency meeting with President Ramaphosa to discuss a national response in the area of employment and labour. A Temporary Employer-Employee Relief Scheme (TERS 19) was established under the Unemployment Insurance Fund, which provides payment for suspended workers (limited to three months and capped at 60 per cent of previous salaries; time in quarantine shall be treated like sick leave, etc).

In addition, a tripartite 'Coronavirus Response Task Team' was set up to address: Workplace adaptation measures, such as home/telework, short-time and shift work, scaling up and scaling down of industrial activities and identifying new opportunities; Workers' compensation fund for special/sick leave and unemployment insurance fund; Support for companies in distress using proper mechanisms to avoid possible abuses; Need to avoid stigmatization or discrimination against possible carriers/sufferers of COVID-19; Need to monitor macroeconomic impacts and appropriate policy responses; Need for further work on public transport (to minimize transmission of virus) and on food security implications, including school meals.

Source: Department of Health of South Africa: <https://sacoronavirus.co.za/2020/03/17/national-economic-development-and-labour-council-on-measures-to-combat-covid-19-coronavirus/>

Department of Labour of South Africa: https://www.gov.za/sites/default/files/gcis_document/202003/43161gen215.pdf

at mitigating the economic and social impacts of the COVID-19 crisis².

Role of national social dialogue institutions: These bodies are diverse, ranging from formal institutions (such as economic and social councils, national councils for social dialogue, labour advisory councils) to ad hoc institutions. They bring together the tripartite partners at national level, namely government, employers' and workers' organizations, and sometimes and where appropriate, other stakeholder groups as well. Several such institutions have discussed the implications and actual impacts on the world of work (for instance,

1 Occupied Palestinian Territory.

2 For additional information, see ILO: *COVID-19 and the world of work. Country policy responses. Relying on social dialogue for solutions.* <https://www.ilo.org/global/topics/coronavirus/country-responses/lang-en/index.htm>

Botswana, Czech Republic, Moldova, Netherlands, North Macedonia, Serbia, South Africa and South Korea). In Singapore, the tripartite National Wages Council convened specifically to discuss wages in light of the COVID-19 outbreak, while in Pakistan's Sindh Province a tripartite mechanism has been activated to mitigate the impact of COVID-19 on the province's businesses and workforce.

Bipartite dialogue between the social partners: In some countries workers' and employers' organizations have held bipartite consultations, allowing them to table proposals for urgent consideration by the government. In many instances, proposed measures have focused, among other things, on the need to protect the most vulnerable workers (for example, those on sick leave or in quarantine, or in a precarious employment relationship) and enterprises, in particular small and medium-sized enterprises (SMEs) (for example, Ireland, Morocco, Netherlands and Spain).

► **Box 4: Spain**

The social partners met on 12 March to discuss the crisis and submitted joint demands to the Government. Among other things, they recommended that:

- workers on sick leave as a result of COVID-19 should receive 100 per cent of their salary from day 1 until they return to work;
- the Government should prioritize measures to support SMEs, which face the greatest threat from the economic fall-out of the COVID-19 crisis.

Source: <https://www.lavanguardia.com/economia/20200317/474233465315/gobierno-medidas-patronal-sindicatos-coronavirus.html>

Relationship between national social dialogue and dialogue at lower levels: The outcomes of social dialogue at the national level can stimulate dialogue and negotiations at lower levels, such as the sectoral and enterprise levels, as shown by the example of Italy.

► **Box 5: Italy**

A tripartite "Joint Protocol for the regulation of measures to combat and contain the spread of COVID-19 at the workplace" was signed on 14 March between the Government and the social partners. The Protocol is to be implemented in all companies and workplaces involving the participation of workers' representatives.

The Protocol contains 13 action points including social safety nets, smart working arrangements and overall measures aimed at maintaining economic activity while ensuring a safe working environment. It also calls upon the social partners to further specify these measures by industry/sector. Questions such as paid leave are to be the subject of collective bargaining. On this basis on 24 March, following demands from unions, Italy's banking sector employers and trade union associations signed a new collective agreement containing measures tailored to the needs of banks and their employees, such as on opening hours and customer appointments. Furthermore, several companies and trade unions have concluded agreements on a number of measures related to temporary closure of plants, suspension of production, and so on.

Sources: ILO: <https://www.ilo.org/global/topics/coronavirus/country-responses/lang-en/index.htm>

TUAC: <https://tuac.org/news/covid19-crisis-mapping-out-trade-union-and-social-partners-responses/>

The advisory and consensus-building function of social partners' organizations is key for effective social dialogue: Workers' and employers' organizations are actively engaged in mapping the impact of the crisis on their members, in order to better understand their concerns and needs, advise them during these critical moments, influence policy discussions related to the COVID-19 crisis, and reach bipartite and tripartite consensus, when possible. OSH issues, paid-leave arrangements, business continuity plans, retrenchment plans, the expansion of unemployment benefits and social protection measures are among the core subject matters attracting employers' and workers' organizations' efforts and engagement.

Some preliminary policy conclusions

- ▶ Although each country situation and each industry is different and there is no “one-size fits all” type of dialogue, all forms and levels of social dialogue will be crucial in the current and coming periods.
- ▶ It is essential to start the social dialogue process as early as possible in order to maximize its impact, and the social partners need to be involved at all stages of crisis responses: from initial needs assessment to formulation of measures, implementation, monitoring and evaluation.
- ▶ The engagement of the state authorities at the highest levels in tripartite social dialogue with the social partners enhances the credibility of the process.
- ▶ Given social partners’ in-depth knowledge of the needs and realities of companies and workers, their effective involvement in decision-making can lead to the adoption of well-targeted and effective preventive measures to help workers and enterprises limit the spread of COVID-19 in workplaces, and also of measures to support jobs and enterprises.
- ▶ Social partners’ organizations are also fulfilling a crucial role in supporting and advising employers and workers on how best to confront and mitigate the effects of the crisis.
- ▶ Social dialogue should address the protection needs of the most vulnerable workers and

enterprises as a matter of priority, in line with the pledge by UN Member States to “leave no one behind”.

▶▶ Leave no one behind.

- ▶ The crisis provides an opportunity to overcome past obstacles to social dialogue, as the partners are willing to put aside their differences and focus on fundamentals, in view of the gravity of the situation.
- ▶ Where social dialogue institutions have become dormant, they can be reactivated to deal with questions linked to the COVID-19 crisis and its impacts.
- ▶ Modern technology can be used to facilitate virtual consultations between government and the social partners in order to avoid the health risks entailed by in-person meetings.
- ▶ Care should be taken to avoid any action that may undermine the trust and cohesion that has been built between governments and the social partners in the early stages of the crisis.
- ▶ Measures adopted through social dialogue at national level may need to be followed up by complementary bipartite dialogue and collective bargaining at the sector and company levels to better respond to the needs of particular industries or enterprises.

Contact details

Governance department
International Labour Organization
Route des Morillons 4
CH-1211 Geneva 22
Switzerland

E: governance@ilo.org
ilo.org