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Jobs, growth and social justice



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Introductory note to the thematic panel discussion on Chapter 2: Promoting quality jobs through effective social dialogue and collective bargaining

The crisis has resulted in a significant increase in atypical forms of employment, such as involuntary part-time and temporary employment. In general, workers in such jobs experience lower wages, less access to training and higher occupational risks and are less covered by social protection and collective bargaining compared with those holding regular full-time jobs. While such jobs can serve as a stepping stone to permanent employment, in many cases they deepen labour market segmentation. Recent labour law reforms have added to these trends through relaxing employment protection legislation and decentralizing and deregulating collective bargaining. This calls for a balanced policy approach that would reconcile adequate workers' protection with facilitating the adjustment of enterprises to market changes. Tripartite social dialogue is the appropriate tool for achieving such a balance.

Informal employment has also further increased during the crisis. While undeclared work, motivated by labour costs reduction and tax evasion, is its prevailing form in developed countries, in less developed countries the unavailability of good jobs in the formal economy pushes people into informal and subsistence work. Informal employment is typically associated with poor working conditions and no legal and social protection. For the transition from informal to formal and decent employment, social dialogue can be instrumental in developing a long-term plan of action. This

would encompass promotion of formal creation of good quality jobs, incentives and sanctions aimed at reducing informal employment, and measures building capacity and increasing protection of informal enterprises and workers to help them out of informality. Further strengthening of national labour inspectorates is also important for reducing undeclared work and ensuring compliance with labour legislation. Stronger and more effective labour inspection as well as improved legislation and national tripartite policy in the area of occupational safety and health (OSH) should also rectify the reduction of funds for OSH measures that happened during the crisis.

Collective bargaining and social dialogue can be powerful instruments for shaping effective policies that would contribute towards generating more and better jobs and gaining support of the business community, workers and population in general. The above mentioned labour law reforms were mostly adopted with limited or no social dialogue. They should be reviewed on a tripartite basis with regard to their impact on industrial relations and the autonomy of the social partners. To meet these important tasks, collective bargaining as well as the technical capacities of the social partners need to be strengthened. This is particularly critical in the case of wage negotiations so that wages become closely linked to productivity increases.

Participants may wish to discuss the following questions:

1. In which area(s) do you see the main deficit(s) in the quality of jobs and employment in your country?
2. Is the suggested approach to strengthening of employment retention measures together with active and passive labour market policies the right tool for addressing labour market segmentation and for facilitating labour market transitions?
3. Do you consider the transition from informal to formal and decent employment relevant and feasible for your country? In which of its components - (i) promoting higher formal jobs creation; (ii) augmenting labour inspection so as to apply labour laws effectively throughout the labour market; (iii) reducing informal employment by increasing the costs of informality; and (iv) using training and other incentives to facilitate the move out of informality - would you find ILO assistance most important?
4. How could collective bargaining and tripartite social dialogue mechanisms be strengthened in your country so that the views of social partners on economic, employment and wage policies and on their role in economic and labour market recovery are fully reflected in policy decisions?
5. What are the main impediments for stronger wage bargaining, for negotiating wages to grow in line with productivity and for setting the minimum wage so that it reflects both social and economic goals in your country? Could the ILO help in overcoming these impediments?
6. Is national labour inspection effective enough to enforce labour legislation, ensure safe working conditions and combat undeclared work in your country and would you consider its support as a priority for ILO assistance?