

# **Working paper on**

## **The Role of Social Dialogue**

### **In Policies And Employment Programs**

**Prepared by**  
**Dr \ Mazen Oudah Nasser**  
**Kingdom of Jordan**

## **Introduction**

The social dialogue is one of the topics that are very popular in many countries of the world and especially in the last period, where it was found, for many of these countries, that the social dialogue may be among the vehicles most commonly used in solving many of the problems of economic and social development through the empowerment of the social partners to carry out their moral and Social responsibility towards the problems faced by their countries . It has been proved from the experiences of countries, that Continuous and effective social dialogue has Contributed in finding appropriate solutions to the problems faced especially during the economic and financial crises that gripped most of the world: Workers ceded their rights and made a lot of concessions in order to maintain the sustainability of the institutions and not to lay off workers .Some Trade Unions ceded their rights for minimum wages to help organizations in passing financial problems .It was clear that such measures may have contributed to the closure of many institutions ; For those reasons, the Arab countries may be in bad need of social dialogue ,especially in light of the wave of changes taking place in the Arab region :the increase in debt and the decline in employment. No doubt that moving away from social dialogue ,will lead to a move away from the achievement of social justice and democracy ,that is considered one of reasons for the Arab revolutions .

It has been proved that there is a positive correlation between economic growth and democracy :Without independent and credible labor organizations , without strengthening the capacities of the social partners, social dialogue remains just a slogan " dismay " raised by politicians and decision-makers to absorb the protests of the people.

It has become clear that the economic policy-making and social development of countries are not the responsibility of governments alone but also rests with the social partners. The social dialogue is the most effective way for the development of economic and social

policies that are based on overall consensus .Also the social dialogue ,without a market economy and a democratic environment ,is not applicable .

## **1 . The concept of social dialogue :**

The social dialogue is one of the important topics that has become very popular in recent times in various fields .It is considered a vehicle of expression ,when there is no convergence of interests of different groups in society . It could be argued that the principle of social dialogue may apply to all relevant institutions interested in economic and social issues, as well as political institutions that enjoy democracy .

The social dialogue has acquired its importance in being the main tool that represents good governance to get to social justice and decent work , and this is what has been confirmed through the Declarations and the Charters of the United Nations organization and the League of Arab States. The Copenhagen Summit in 1995 ,the Declaration of Social Justice on globalization in 2008,the Declaration on Social Dialogue in 2008 adopted by the ILO and the Declaration of Principles on social dialogue adopted by the Conference on Freedoms in 2012 / Arab Labor Organization ,has confirmed the importance of the role of the tripartite mechanism and the social dialogue as a vital element for social cohesion and for translating economic development into social progress . To counter the economic crisis and its social effects ,the ILO organs adopted the" Global Charter for employment opportunities," which stresses that " social dialogue is an important basis to build commitment of employers and workers in cooperation with the governments ; This is also a condition required to overcome the crisis and achieve sustainable economic development .The Charter confirms adopting policies and concerted in a tripartite context would stimulate social protection programs.In the same vein, the Arab Decade for employment was launched by the the Arab Labor Organization in 2010 . Whatever the case is , there is an agreement on the definition of social dialogue as an " exchange of information , counseling and social bargaining between the social partners on all issues of economic , social and environmental in order

to reach a consensus on economic and social policies ." This would help in the realization of peace and societal harmony ,will contribute in the achievement of economic and social stability and will realize political stability.

The social dialogue takes several forms; It can take the form of a bilateral dialogue involving both workers and employers through collective bargaining on all issues of concern to the workers and employers , such as settlement of solving collective and individual and conflicts; It can also take the form of a tripartite dialogue involving all workers , employers and the government on overall economic and social policies , legislations and laws that affect all segments of society .At the end,it may take the form of a dialogue at the regional level or at the international level . Both the international Labor Conference and the Arab Labor conference which are held on annual basis, might be good examples of this kind of dialogues.

We believe that the success of the dialogue depends on some factors and conditions especially the recognition of international and arab conventions related to the Social Dialogue and ILO Conventions Nos. : 87 for the year 1948 concerning freedom of association , and 98 for the year 1949 on collective bargaining and 144 of 1976 on collective bargaining and 131 of 1971 on the protection of workers' representatives ;In addition to the Convention No. 150 of 1978 labor Administration . The ALO Conventions Nos. 8 of 1977 and 11 of 1979 on freedom of association and negotiations are also relevant to this context. It is useful to point out that according to the ILO Constitution and the Declaration of Principles and rights at Work adopted by the ILO in 1998 , the States ,once they declare their optional affiliation to the International Labor Organization ,has to abide by its principles, to respect and promote the achievement of the principles related to freedom of Trade Unions and the effective recognition of the right to collective bargaining .It is perhaps remarkable to note that, despite this commitment , the ratification of these conventions , both at the level of the International Labor Organization and ALO by the Arab counties ,was very modest;The number of Arab countries that have ratified the conventions Nos 87 and 98 are only 8- 14 countries

respectively; While the countries that have ratified the ALO'S Conventions Nos. 11 and 8 related to the same subject amounted to 3 - 6 respectively.

The independence of the trade unions and employers' organizations is another condition required for the establishment of lasting and effective social dialogue. But it is also important that Trade Unions work in a democratic and independent environment and enjoy fair representation. It is worth to note that most of labor Trade Unions and especially in developing countries and in the Arab countries are lacking such conditions. In addition to the direct intervention by the administrative authorities and by the employers' organizations in trade union affairs, which impoverishes the social dialogue in these countries. On the other hand, the availability of a political will, convinced of the importance of the social dialogue, is another required condition. Many governments do not take the subject of social dialogue seriously, they often turn to it in times of crisis; and for their part, the employers often do not have enough time to engage in social dialogue, they tend to influence the governments and to use political pressure to approve a decision, rather than engage in social dialogue. The essential point is to provide transparent and true information to all the social partners in the process of social dialogue. Without the information no stakeholder can participate in the social dialogue.

## **2 . Actors involved in the social dialogue and the philosophy of their roles:**

Despite the different role played by each of the stakeholders participating in the social dialogue, there is a consent on its participants or what has been called the three social partners: representatives of the governments, employers and workers. There are some countries that went beyond that to include the CSO's. The participation of the CSO is crucial because of its role in influencing the decisions on economic and social issues. This type of dialogue is now commonly known as "three +1". It has been agreed that the involvement of social partners in the dialogue process was the result of their

importance and the importance of their role .The philosophy of their role could be clarified as follows:

## **2.1: . Labor Administrations**

The labor Administrations are one of the main parties involved in the social dialogue; when those departments are strong , their role in social dialogue is active and important ; But we can notice that most of the labor departments in developing countries in general and Arab countries in particular are often weak because they are preoccupied with administrative issues and they fail to allocate financial allocations, through which they can participate in a lasting and effective social dialogue. The departments of labor's inspection in the ministries of labor often suffer from administrative problems preventing them from performing their functions effectively. The most complex difficulties lies in the ability of management and labor ministries in decision-making , planning , evaluation and analysis of labor market data. This in addition, to their weakness in capacity building of human resources . The fact that we consider the Ministry of Labor as a ministry service ,has weakened its capabilities, impact and its importance compared to other ministries such as the Ministry of Finance or the Ministry of Planning or the Ministry of Industry and Trade. This reflects clearly the degree of attention paid by the government's policies towards labor and social issues . We can say that although the structures of labor administrations in many developing countries, including Arab countries often follow the model of successful labor ministries in other places , their capabilities remain minimal "and their public services are weak.

As part of the austerity policies adopted by countries affected by the crisis , particularly in Europe , the labor Ministries and labor administrations were often facing a reduction in the budget which led to a reduction of employment programs and the number of staff working in the labor departments, but it turns out in many countries at the beginning of the financial crisis in 2008 that the labor governance can play an important role in mitigating the results of the economic recession. There is almost a consensus that labor

administrations is a key element mitigating the effects of the recession , play a role in the preservation of jobs and the prevention of layoffs .Such a role that pushed some of the countries to reconsider the importance of the labor administrations and their role in the dialogue , especially during the global financial crisis that hit much of the world . Perhaps, this is a message to the governments to reconsider the promotion of the role of social dialogue and not to take actions that would weaken the mandate of labor Department , whose main responsibility is the promotion of social dialogue major .

The factors mentioned above constitute a serious effect on services and policies related to social dialogue , which must be provided by labor administrations under the Labor Administration Convention No. 150 of 1978 .It has been shown that the countries where the ministries of labor are weak and unable to enforce the law , are those countries that suffer from deficiencies in the social dialogue , are failing to regulate their activities and fulfill their role as a social partner .There is no use that governments adopt laws relevant to employment and labor and strengthen the collective bargaining, if they fail to put in place mechanisms to ensure implementation of these laws and collective bargaining agreements , or did not succeed in sensitizing workers and employers to join these agreements .We assure that strong Ministries of labor could work with the social partners to address the issues that have a significant effect on workers and employers through the adoption of employment policies to at the national level and through the involvement of all social partners to enable them to contribute and to take all measures and ways to addressing the negative phenomena in the labor markets , especially unemployment and poverty.

## **2-2 : Employers' organizations :**

The employers' organizations had faced a number of challenges during the current global economic situation,especially the rapid transformations witnessed by the employment's markets , encouraging some of these companies to improve their productivity in order to reduce costs and attract more capital and investment .The developments in the global

economic landscape had magnified the challenges facing the employers' organizations in the representation of its members and in responding to their expectations. This motivated these organizations to reconsider their structures to be in harmony with this situation experienced by most of the countries in the world.

One of the main objectives of employers' organizations in countries that enjoy democracy encourage the tripartite scheme and the collective bargaining is to represent the employers' interests in the negotiation process. For example, in the United States, the negotiations are conducted at the enterprise level, where the employers' organizations are very active in the political and in the legislative arena; but it does not interfere in the collective bargaining. As in Japan, the Union of businesses is not involved in the negotiations, but it directs the employers in the negotiation processes. There are some countries where the negotiation is held at the sectoral level, such as Germany. But in the Arab countries, the collective bargaining is taking place generally in the beginning, within the enterprise-level, which may create confusion for many employers, especially if there is a multiplicity of trade union. In that context, it can be said that there is an interest shown lately from employers' side to social dialogue in a number of the Arab countries. A clear transformation has been revealed in employers' tendency towards social negotiation in solving collective Labor disputes instead of having one's own decisions & policies related to labor conditions. This tendency in fact - despite of the humble exerted efforts - collaborated to institute for a sustainable & effective social dialogue.

The role of employers' organizations had changed, even in countries which were leading the major role in collective bargaining. Due to the changes that have occurred in most of the countries, the time allotted for industrial relations and the focus shifted toward political activities and advisory services aimed at enhancing the competitive capacity of members. This has led a lot of organizations to reconsider the traditional services they procure and pushed them toward investing in new capabilities and establishment of companies and new strategic alliances. Some other organizations were obliged to



consider expanding their mandates to include issues of trade and economic integration with other organizations.

### **2-3 : Workers' organizations.**

Workers' organizations are under mounting pressure since the outbreak of the economic and financial crisis witnessed by most of the world in recent times. Some countries are suffering from fiscal deficit and a large increase in the debt rates. In an attempt to address this problem, some governments felt that they can burden the workers with the results of austerity policies pursued to face debt crisis and budget deficit , which resulted in a weakening in the structures of collective bargaining, minimum wages , pensions , legislations concerning social protection for workers and the violation of rights and principles relating to freedom of Trade Unions and collective bargaining .This in turn contributed to the weakening of the labor movement and its ability to negotiate . These violations came as part of a trend toward labor market's segmentation and the imposition of further restrictions by some governments on the Trade Union activity. A lot of employers had promoted, especially in the employment relationships ,the use of temporary contracts or contracts for a limited period , which contributed to the weakening of affiliation to Trade Unions and the rise in unemployment , especially among young people .The ILO has estimated the number of unemployed ,during the financial crisis, for about 197 million unemployed in 2012. This has pushed a lot of Trade Unions , especially in the industrialized countries and a number of developing countries, including some Arab countries to organize a number of protests and sit-ins calling the governments of their countries to improve the worker's conditions and not to resort to layoffs under the pretext of austerity measures and to face the financial crisis .The European countries were not an exception because their unemployment rate exceeded 25% in Spain and Greece, the youth unemployment rate represented 50% . The development and policy reforms that have been taken in many countries to cope with this crisis has led to the weakening of collective bargaining structures ,minimum wages ,pensions and legislations relevant to social protection . But these measures and reforms

did not result in any improvement in growth or job creation; The Trade Unions in developing countries face another challenge in paying more attention to the millions of workers not belonging to unions and not including agricultural and public sector workers, in addition to domestic ,migrant workers and women under the umbrella of Trade Union activity; and thus depriving them of their right to collective bargaining, which is one of the main forms of social dialogue that can enhance equality among all workers, regardless of their gender or their race or their nationality or place of work .In this context, we must refer to the phenomenon of workers in the informal economy , which has been found in most labor markets in many countries ; Moreover ,some countries witnessed a growing number of informal workers representing between ( 50-70 ) % of the labor force in African countries , 43.5% in Egypt, 45 % in Jordan , 56.9 % in Morocco , 36.1 % in Tunisia and 25.6 % in Algeria ; which is candidated to increase in many of these countries . It is worth to note that workers in the informal economy are spared usually of social protection included in labor laws, as well their basic rights are often violated .In some countries, the workers' organizations supported the workers in the informal economy ,as it allowed them to join their existing organizations or helped them to create their own organizations . During the Arab Spring in late 2010 and early 2011 independent Trade Unions has emerged in some Arab countries, as is the case in Egypt , Lebanon , Jordan and Bahrain . The workers organizations played a key role during the protests in other countries , especially in Bahrain , Egypt and Tunisia . It has been found that there is a negative relationship between social dialogue and labor rights violation and that wherever there was a violation and suppression of workers ,the social dialogue was weak or didn't exist in most cases. This confirms that respect of basic civil liberties is a necessary condition for social dialogue .

#### **2-4 : CSO**

The term " institutions or civil society organizations " is a loose term that would facilitate the participation of many stakeholders in decision-making . It has been observed in the recent years ,an increase in the importance and the impact of civil society organizations

in decision-making and approval of policies through their participation in social dialogue. Those organizations can also play an effective role through its contribution awareness and information campaigns related to human rights .Perhaps ,the great challenge that those CSO's are facing lies in the risk of melting in more powerful entities because they are lacking of necessary representativeness and legitimacy. They may also be more likely to be intimidated or silenced by governments, due to the fact that these organizations are often having a single goal as well, they don't have the capacity to arbitrate between conflicting interests and usually employers and labor organizations are skeptical about the effectiveness of opening a dialogue in front of civil society organizations such as " tripartite+ other elements " or "multilateral structure " or " civil dialogue " . These organizations are in fact convinced that the real and effective social dialogue depends on the representation of organizations that deal with governments and with each other ;This representation should be based on the actual constituent members .Although that most of the civil society organizations do not qualify for representation , which is acquired by other regular social partners, it can be an important ally to the employers and workers 'organizations , especially when the number of Trade unions members is low and the presence of employers' organizations is weak .

Many countries tend to open social dialogue in front of other groups , " civil society organizations " , which transform the dialogue to a tripartite dialogue +1 , so as to gain a broad perspective and to achieve social consensus on specific issues ,which may be far beyond the labor issue . Perhaps the South African's experience ,is a good example of civil society's involvement as a fourth partner ,in addition to the three social partners in the National Council for Economic Development and Labor. In Jordan , the civil society organizations have been involved as a component of the Jordanian Economic and Social Council , because of the importance of this group and their impact on policy and socio-economic.

### **3 : The challenges of Social dialogue :**

Despite the pivotal role played by social dialogue on issues of labor and economic and social issues in general , it is facing some challenges . The most important are :

□ : Lack of basic conditions necessary for the establishment of social dialogue and especially circumstances relating to the application of the Conventions on freedom of association and collective bargaining ; Perhaps what is striking in this context is the " conclusions of the International Labor Conference on Fundamental Principles and Rights at Work in 2012, concerning the low rates of ratification of conventions Nos. 87 and 98 which are the two basic conventions in the Declaration of fundamental Principles and Rights at Work .These are essential in establishing a sound and effective social dialogue.

□ Absence of political will among governments, employers , workers and the weakness of the social partners . Although some governments have implemented some fundamental reforms with respect to the tripartite because of the financial crisis .Some other governments introduced important reforms without social dialogue , including some reforms having negative effects on freedom of association ,employment policies , social security, wages and equality. With regard to social security , it is important to maintain the independence of negotiation between the partners.

□ Reforms of labor legislation : According to the data from the International Labor Organization on the reform of the legislations and labor laws over the period 2008-2012 , 76 countries have reviewed labor laws organizing processes of social dialogue institutions , or legislations concerning employment protection , or both together in some cases . These reforms have been implemented in some countries, especially in developing countries in order to improve the framework of social dialogue . The reforms , in the industrialized countries restricted the range of social dialogue , reduced workers' rights to collective bargaining and limited the independence of the partners in the collective bargaining . The reforms imposed by structural adjustment and austerity policies helped sometimes in the adoption of decentralization in industrial relations ,

including in countries that are supposed to have a long history in collective bargaining .There is only two Arab countries which have modified their laws related to social dialogue . In Jordan, the government stressed the right to establish Trade Unions and their registration and included for the first time, the right for non-Jordanian workers to join them. There is also a recent decision taken by the Constitutional Court allowing public sector workers to form Trade Unions. In Kuwait , the right to establish trade unions including private-sector workers was expanded and trade union pluralism has been adopted at the local level . But there is still in these two countries ,a single confederation for Trade Unions licensed by the government ;and all Trade Unions must join it . Depriving migrant workers from the right of joining trade unions may lead to their exclusion from benefiting from the mechanisms of social dialogue & its results, which in turn may lead to deprive them from fundamental rights at work .

#### **4 : Social dialogue in the face of economic crisis**

Experiences showed that a number of countries have adopted the principle of social dialogue to address the economic crisis ;There are positive results in the adoption of the tripartite social dialogue in the early stages of the crisis . The studies conducted by the International Labor Organization proved that in 51 countries out of 131 , most of the measures addressing the economic crisis were taken through dialogue and consultation with the social partners, and that social dialogue was weak in the countries which are having a poor history in social partnership . The lower rates of social dialogue were registered and came in lower in the Middle East and North Africa with 22% , followed by Europe, Central and South-Eastern Europe with 30% , and 35% in sub-Saharan Africa .It was clear that the countries that have more advanced institutionalized system of industrial relations are these countries which were pioneer in liaising with social partners and in seeking their cooperation in the beginning of the crisis in 2008, through an agenda including a package of measures agreed by the tripartite, ranging from the promotion of partnership in the field of employment responsibility , training, adoption of enhanced social protection legislations and provision of financial support to ensure the

sustainability of the institutions by enabling them to create jobs and provide employment through general programs focusing on infrastructure . The reduction of jobs through layoffs and the sustainability of enterprises were in the heart of most of these consultations. A mix of general and private measures were adopted in order to preserve jobs in various institutions , as is the case in Bulgaria , Indonesia and South Africa . The tripartite agreements ,in some countries, have also benefited from legal support .But in spite of the efforts exerted by many countries in the consultation , they did not succeed in achieving concrete results , because of a mismatch between the government and the social partners, as in the case in Romania .It was also noted that countries ,with poor traditions in social partnership ,are suffering from a weak social dialogue, as the case in the Middle East and North African countries., while the countries that have more advanced system and institutionalized industrial relations , are often seeking the help of social partners , as it happened in confronting the financial crisis in 2008, where the social partners and tripartite bodies in European countries, were asked a package of measures to counter the crisis through the promotion of labor sharing arrangements , training opportunities , social protection and access to the financial support to ensure the sustainability of enterprises and job creation through the adoption of programs supporting infrastructure . Saving jobs and ensuring the sustainability of enterprises was the nuclear of most programs . But the measures taken by some European countries ,which were facing pressure related to public debts and deficits in their budgets and its adoption of austerity policies without social dialogue with the social partners, were behind the failure of these policies .The austerity policies adopted in Greece and the United Kingdom , for example, aimed to reduce the fiscal deficit at a fast pace , through the reduction of public spending , the abolition of financial assistance and subsidies, raising the price of electricity, water, increase in the rates of value added tax , freeze the wages in the public sector , put a ceiling for pensions, reduce social assistance or its postponement and the layoff of many workers. Most of these governments announced that austerity measures are not negotiable and shutted the door in front of social dialogue . When governments consulted the social partners about their plan's content, as in Ireland , the trade unions

made some concessions and supported the plans put forward . Most unions have opposed the principle of austerity, on basis that it weakens the overall demand and thus lead to deflation . The Trade unions strongly criticized the exclusion of the social partners from the formulation and the implementation of policy reforms in addition to their following hasty reforms & permanent measures . Some employers' organizations have supported governments's efforts towards financial consolidation , but often expressed reservations on specific measures , and distanced itself sometimes from austerity policies , due to its negative impact on overall demand and on the profitability and the sustainability of the enterprise , particularly small and medium enterprises . Some Trade Unions ,that were no longer able to participate in the tripartite social dialogue ,resorted to courts to challenge the decisions of the government, as is the case in the United Kingdom .

#### **5. Social dialogue and economic performance :**

The impact of social dialogue on the overall economic performance and growth has been particularly debated among researchers . To understand this issue ,we have to analyze the effects of classification of social dialogue on economic results . The neoclassical economic concepts underline the fact that Trade Unions and collective bargaining may cause distortions in the labor market, which may restrict the free employment in the labor market and lead to sub idealistic economic results.

The arguments usually stemming from these concepts considers that the repercussions resulting from the monopoly of trade unions and labor market segmentation are the most prominent of these distortions . Those arguments focus usually on the differences between the wages of Trade Unions and non Tade Union, and claims that collective bargaining raises wages; This leads to a decline in investment, lower demand for labor , increase the unemployment rates and may also lead business to move to , " the informal sector " economy, which is usually disorganized and to the emergence of a lot of low-wage workers. According to this view , economic actors can better adapt to economic changes and changes in production , without collective bargaining or labor laws that

provide protection for employment. The opposite point of view sees that such an analysis is based on mere assumptions as markets do not operate in perfect competition ; workers' mobility could not happen without frictions and there is always a lack of consistency in the information . The opposite opinion stresses on the economic benefits that can be achieved by ensuring the delivery of transparent information .

According to this theory , the role of labor organizations and collective bargaining is positive ; It is reflected on income and on total demand . The Trade Unions can, by reducing the information conformity, improve the quality of administrative decisions supported by more information and more liable to application. This theory is also shedding light on the factors that can contribute in increasing productivity , stability of labor relations and reducing the rate of labor turnover .

During the last thirty years, the growth of wages didn't keep pace with productivity growth in the world, which led to a sharp decline in the share of wages , salaries and benefits of workers in the GNP . The wages report showed that for the year 2012, a decline in wages in the world, which may have a negative impact ,in the long-term on the economic growth, as it affects the family's consumption factor, the total demand and reduces consumer confidence . These factors reduce the confidence of the business sector and have an impact on investment decisions . This may also lead to a decline in the share of labor and weaken the ability of workers to bargain , which could lead to a decline in public confidence in the governments and in the market economy .

If some countries are able to compensate for the decline in aggregate demand through increasing net exports , not all states can keep at the same time the surplus in the current account , and must then on some countries to import more than it exports and to deduct from GDP procedure. But the strategy to reduce costs and work units by deregulation and weakening or adoption of decentralization in collective bargaining - which represent a repeated political recommendation of countries affected by the crisis and the basis on which formulated austerity policies that will lead to a spiral abyss, with respect to the



share of labor income and aggregate demand and GDP growth . Even in countries that increase their exports , may result in the decline of employment , wages and labor 's share of domestic consumption to the recession at a greater pace than the increase in exports , and then countries would fail in reducing debt and current account deficits .

## **6 : Social dialogue and its role in reducing unemployment**

The employment is one of the most important challenges facing most countries in the world. The number of unemployed is estimated to be about 197 million in 2012 .The Arab countries are not exempted from this phenomenon;there was an increase in the population of Arab countries from about 218 ,239 000 inhabitants in 1990 to 326 ,112 000 inhabitants in 2007 ; an average of annual growth rate of 2.36 % . The workforce accounted for 38.4 % of the population in 2007 . The overall unemployment rate for the Arab States in the same year amounted to 14% ; The Arab Labor Organization estimated the number of new entrants to the Arab labor market by about 3 million workers annually. It can be said that unemployment in the Arab countries is often politicized as the unemployment rate is higher than what is officially announced .This may be the result of the weakness in the collection of statistical data. It is worth to say that with the rise in economic growth rates achieved by some Arab countries in recent years, which is due primarily to the rise in world oil prices and the measures taken by a number of governments , but that did not reduce unemployment rate to the required level, due to the measures taken by governments, especially the decline of the public sector for recruitment, resorting to the privatization of many of the establishments and the rise in prices, which led to more workers layoff .Some sources noted that the unemployment rate has exceeded 20% in some countries, especially in the countries of the Arab Spring . The most striking is that the absence of social dialogue ( tripartite) and collective bargaining was the common denominator in the policies adopted by these countries .we have also to note that these countries have ratified the international conventions on freedom of association and collective bargaining , but neither were applicable.

The employment issue has become the main objective of labor markets strategies in the world, including the Arab countries. The problem of unemployment, the reduce of the number of unemployed is the challenge and obsession facing many governments. That is why some governments directed a portion of its budget to support programs and employment policies. They have also encouraged investment in SME's and allocated special funds to finance projects of youth and women in order to increase their economic participation. The Arab countries has taken some measures, for example in Egypt, efforts have focused on the establishment of the Social Development Fund to provide job opportunities for young people, as the Egyptian government has spotted for this Fund large sums which went mostly for the development of small and medium enterprises. The Jordanian government has reinforced the political and economic relations with the countries receiving the Jordanian man power especially by the Gulf countries. Jordan has even appointed seven labor Jordanians counselors in such countries. It has also passed a legislation authorizing the private sector and Trade unions to carry out employment and worked to attract local and foreign investment to create jobs. In addition, Jordan encouraged the policy of self-employment through supporting small and medium enterprises sector, and launched a number of initiatives aimed at increasing the participation of women and youth, such as Women Support Fund and Youth Employment Project in cooperation with international organizations ..... In Morocco the government has established a fund for the training and rehabilitation of young people to create self jobs opportunities with the help of the private sector; In Algeria, the government has taken several steps, among which was the establishment of committees in each provency to enable young people to find jobs, and the creation of an Authority for youth Vocational Integration under the Ministry of Labor and Social Security. The young people were also encouraged to create projects funded by the public banks. The Gulf countries were the pioneer in putting in place ambitious plans to tackle the problem of unemployment and to develop measures to stimulate the private sector to employ the citizens instead of foreign labor, which is estimated at more than 9 million workers. They have given priority to the employment of the national labor and the labor from

other Arab countries ; Kuwait is a clear example of this trend , it has adopted programs stimulating the private sector; Bahrain has been developing a plan to completely eliminate the problem of unemployment ; The United Arab Emirates paved the way in front of the private sector in order to expand employment ; Saudi Arabia has been encouraging the private sector to open up employment opportunities for Saudis , bringing about insurance for unemployment by ensuring 100 thousand jobs and accelerating the pace of subsidized housing construction supported by the public sector .The government has announced a set of economic measures which amounted to 37 billion dollars and included a 15% increase in the salaries of state employees . The package also included interest on the loans , social security assistance , funding for education , and job creation , among other grants and subsidies .. Then issued a royal decree granting extra \$ 93 billion dollars for different programs . In addition to grants for healthcare, housing and unemployment subsidy ..... The Sultanate of Oman government was able to increase salaries and aid and provide 50 thousand job opportunities - mostly in the public sector - at a cost estimated at 2.6 billion dollars.

The outcome of those measures taken by the Gulf countries is that unemployment rates has become less than other Arab countries .But in spite of the progress of some of these countries, they should be aware that these measures, in the absence of dialogue, are provisional as the conditions of these Arab governments enabled them to solve the crisis they faced.

Practical experiences have proved that social dialogue between social partners is playing a vital role in solving unemployment problems and job creation , especially for young people , as it contributes to the stability of labor relations and the preservation of jobs , especially in light of the economic crisis and the crisis of indebtedness witnessed by many countries of the world .

Most of the countries are in need- more than any other time to approve the social dialogue and to adopt its mechanisms of collective bargaining ,counseling and consultations to be

able to address socio- economic issues. This is rather than taking decisions and actions by governments to address the problems in a provisional way. This would have an effect on the stability and social harmony , increase economic growth , create more jobs and reduce the economic and social problems, especially poverty and unemployment.

## **7 : Social dialogue and its linking role between economic and social development :**

There is no doubt that forced labor , child labor and discrimination ,in addition to freedom of association and collective bargaining are the major obstacles in front of sustainable economic development. They are one of the factors that help in maintaining the phenomenon of poverty .It is useful to know , for example, that the economic return of child labor is estimated seven times the costs necessary to eliminate it . Also maintaining discrimination, especially between males and females may hinder the achievement of sustainable economic development and denies women's economic participation in the workforce. It is worthy to note that the Arab countries are at the lowest economic participation rates ,compared to the other countries of the world and perhaps one of the reasons that have contributed is the persistence of discrimination in wages and in the profession. The ILO stresses that the lack of commitment to fundamental rights at work will lead to an imbalance in income and will increase inequality; This could hamper the achievement of sustainable development, despite the fact that there are oppositions to this view and believes that the respect of fundamental principles and rights at work may constitute a burden on the economic costs and reduce competitiveness , especially in the short term .They also see that freedom of association (the formation of trade unions ) and collective bargaining may lead to an increase in wages and thus a reduction in the rate of profit , a decrease in the volume of investments, the reduction in employment and an increase in unemployment rates . While advocates of the first view the importance of overcoming the limited view that the creation of job opportunities depends only on reducing the cost of labor and that economic growth should generate social benefits that will work on the social stability and legitimacy , building human capital , affects the distribution of income and revenue productivity and

performance installations derived from the application of fundamental principles and rights at work and the freedom of association and the right to collective bargain. This would contribute to the stability and the social peace, which in turn will impact on the economic growth . It has been observed that the levels of foreign investment are affected positively by the respect of fundamental principles and rights at work; and in a number of countries affected by the crisis, public debt and competitiveness. Collective bargaining mechanisms have contributed in reducing the effects of the crisis and accelerating the pace of recovery. But even further , the crisis caused by inequality and lack of social justice has proved the positive role undertaken by the respect of fundamental principles and rights at work in terms of strengthening the link between productivity gains and income from work , which is essential for sustainable economic growth . The International Labor Organization and the International Monetary Fund sees that productivity gains should be equally distributed to ensure an adequate level of total demand . As it was found that during the economic crisis , economic growth and increased demand for labor cannot be achieved without the application of fundamental principles and rights at work , and perhaps this could push countries to make further efforts to apply the fundamental principles and rights at work that restores balance to the distribution of income significantly , and thus provides the incentives needed by the global economy , that may not be provided by public budgets ,under the current circumstances .

It has become recognized among many countries that the fundamental rights at work would achieve a balance between economic and social growth. Their inavailability will lead to undermining social progress and enable others to achieve more profits and economic gains. Under this globalized economy , the achievement of the basic rights of workers would bring justice in this world of savage globalization.

## **Recommendations:**

Most of the countries are experiencing radical changes in the economic and political arena and it became adequate to listen to the voice of young people and give them the opportunity to participate in the socio-economic decision-making within a transparent democracy .It is time to enable them to assume the problems afflicting their countries ,especially employment and unemployment issues . If countries want to join the modern world, it must express their faith and in some concepts ,such as - the rule of law as the foundation of democracy and economic prosperity -, the freedom of association and social dialogue; Otherwise the results could be disastrous for those countries that refrain from taking such steps. Perhaps the most important recommendations of this paper include:

- 1 . The ratification of conventions relevant to social dialogue and specifically these contained in the Declaration of Principles adopted by the ILO in 1998 , the convention No.144 on the tripartite, the convention No. 150 related to labor administration. All the countries should activate these conventions in order not to remain a dead letter .
- 2 . Institutionalization of social dialogue through the creation of legalized institutions for social dialogue .Social partners should participate in these institutions and open the door to civil society organizations to activate its role through request for counseling on various policies related to economic and social issues before being approved. This would have a vital effect on the social stability and would to achieve also economic stability . As it has been shown that there is a positive relationship between democracy and economic development .
- 3 . The governments should take their responsibilities in providing the suitable environment for the establishment of lasting and effective social dialogue, through the provision of adequate financial resources and activating the role of social dialogue institutions by consulting them on economic and social issues before

approving any related policy . This would achieve stability and social harmony , which in turn will impact on the political stability.

- 4 . The adoption of programs for the promotion of social dialogue and foster a culture of social dialogue to resolve the problems related to the labor field , socio-economic issues and employment policies . It should be emphasized that we don't resort to social dialogue , in times of crisis, but also in times of prosperity through which all can fairly benefit from development returns .
- 5 . Recommendation addressed to the ILO and to the ALO to provide constantly technical support for capacity building programs for the social partners to help them in participating in a lasting and effective social dialogue .
- 6 . Enabling all partners to easily access information . These informations should be transparent and real .Without information there is no social dialogue, or at least it will be misleading, as well counseling provided by social dialogue institutions is not in the proper place.

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