



Economic Impact of Social Dialogue on Training

Irmgard Nübler

Skills and Employability Department

International Labour Organisation

International Labour Organisation (ILO)

- The four pillars of the Decent Work Agenda:
 - Fundamental Principles and Rights at Work
 - More and decent Employment
 - Social Protection
 - Tripartism and Social Dialogue

Social Dialogue: the guiding principle in formulating and implementing training policies and programmes

Elaborated in the following instruments:

- Convention 142 (1975) on Human Resources Development
- Recommendation 195 (2004) concerning Human Resource Development: Education, Training and Lifelong learning.
- Conclusions of the International Labour Conference (2008) on Skills for improved productivity, employment growth and development

Ratification of Convention 142 and practice of SD on training

■ Ratification

- 64 Countries
- Mainly OECD and middle income countries
- Europe (31) Africa (9) Americas (10) Asia and Oceania (14)

■ Practice

- High and increasing in Europe
- Growing in Latin America
- Weak in many countries in Africa and Asia,
Due to low organisational levels of representation and large informal economies

Economic benefits of Social Dialogue on Training

Methodology

- Literature survey to review practices of social dialogue and evidence on economic impact and benefits
- Broad definition of social dialogue
- Identify studies from all regions

Social Dialogue enhances the level, relevance and quality of training

Social Dialogue increases effectiveness and incentives to invest in training

-Training funds and cost sharing motivate employers and workers to invest in skills.

(Malaysia, Nigeria, Brazil, Netherlands, Singapore, France)

-Identification of skills needs and communication of information

- reduces uncertainty
- increases investment in core and general technical skills
- aligns skills supply with demand

(Philippines, Pakistan, Germany, Switzerland, Ireland, Denmark).

-At the company level: sharing information on skills and training needs, consultation on training programs etc. increases

- quality of training;
- participation of workers in training.

(USA and Canada, Brazil, Korea, UK, France)

Social Dialogue for effective management of economic and social change

Social dialogue is a key instrument in managing adjustment to economic and social changes and meeting the different interests of Employers, Workers and Governments:

- Individual workers (employment security, advancement)
- Enterprises (productivity, competitiveness)
- Economy (sectoral/ regional development)
- Society (social integration, equity)

Evidence from Europe, Latin America and Asia shows that Social Dialogue

- helps to reconcile diverging interests; to achieve agreement,
- facilitates adjustment of firms
- reduces risk of unemployment
- helps to achieve social development plus economic development.

Social Dialogue to maintain a dynamic development process

Continuous (institutionalised) Social Dialogue fuels a virtuous circle of increasing productivity, output and wages.

- Creates trust between social partners and economic actors (social capital)
- Facilitates collaboration between employers, Ministries, training providers, and education system in creating and disseminating knowledge and skills.
- Improves coordination of training policies with trade, industrial and technology policies for policy coherence (Ireland).
- Creates consensus and commitment for VET reforms and national training strategies (South Africa; East Germany)

Conclusions

- Very few studies directly analyse the economic benefits of Social Dialogue on training.
- International experience indicates that Social Dialogue on Training can create significant economic benefits.
- Benefits depend on the design and implementation of policies.
- Further research is needed to better understand the economic impact of Social Dialogue on Training.