



SPICe Briefing

Pàipear-ullachaidh SPICe

# Social dialogue in Scotland: Experiences of employers and their representative organisations in policy making around skills and training

Professor Melanie Simms

Research conducted by Melanie Simms, Professor of Work and Employment at the University of Glasgow's Adam Smith Business School, looking at "social dialogue" in Scotland, with particular reference to employer involvement in skills and training policy. Summarises findings of interviews with employers and employer organisations, and sets out a series of recommendations aimed at strengthening social dialogue in this policy area. The report concludes with three case studies of social dialogue from Denmark, Singapore and Wales.



# Contents

<b>Summary</b>	<b>3</b>
<b>Background - What is social dialogue</b>	<b>4</b>
Why is social dialogue so important in the area of skills and training?	5
Why focus on employers and their representative organisations?	6
The Scottish context	6
<b>Project aims and findings</b>	<b>8</b>
Structures of employer representation in Scotland	8
Do employers' representative organisations believe they have the appropriate technical capacity and expertise to participate in social dialogue?	9
Do employers' representative organisations see political will and commitment to engage in social dialogue on the part of all parties?	10
Do employers' representative organisations believe there to be a respect for fundamental rights of freedom of association and collective bargaining from all parties?	11
Do employers' representative organisations believe there is appropriate institutional support for social dialogue	11
Headlines from stakeholder interviews	12
<b>Recommendations</b>	<b>13</b>
<b>Case studies - social dialogue in other countries</b>	<b>15</b>
Denmark	15
Danish representative organisations	15
Where are social partners represented in Denmark?	15
Social dialogue around skills and training in Denmark	16
Singapore	17
Singapore representative organisations	17
Where are social partners represented in Singapore?	17
Social dialogue around skills and training in Singapore	18
<b>Fair Work Commission in Wales</b>	<b>20</b>
<b>Bibliography</b>	<b>21</b>

# Summary

This research was conducted by Melanie Simms, Professor of Work and Employment at the University of Glasgow's Adam Smith Business School. Professor Simms was assisted in the writing of this briefing by research student, Klaudia Szabelka. The project is part of SPICe's [academic engagement programme](#). This aims to utilise Scotland's world-famous universities and academic capabilities in order to support the Parliament in its scrutiny and legislative roles. The opinions, conclusions and recommendations are those of Professor Simms and are based on interviews with employers and employers organisations conducted during 2019 and 2020.

The report explores the views of employers' representative organisations (EROs) to current structures of social dialogue in Scotland with a focus on skills and training. Social dialogue refers to the structures and systems put in place to support workers' and employers' representative organisations discussing, and sometimes negotiating, issues around work, employment and the economy – sometimes involving the state as well. The focus on skills and training is because this is an area where there is often the greatest scope for agreement on broad objectives between the parties.

Recent developments in the area of skills and training, as well as labour market and economic issues more generally, mean that the engagement of employers is crucial to effective delivery of key areas of policy such as Developing the Young Workforce, Economic Action Plans, Future Skills Action Plan, apprenticeships, etc. But, in common with the wider UK, structures to ensure employers are engaged in the design and delivery of these initiatives are patchy and inconsistent. This raises questions about the representational legitimacy and effectiveness of those structures.

The report concludes with some [key recommendations](#) and [three case studies](#) from around the world.

# Background - What is social dialogue

"Social dialogue" is defined by the International Labour Organisation (ILO) to include all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. It can exist as a tripartite process, with the government as an official party to the dialogue, or it may consist of bipartite relations only between labour and management (or trade unions and employers and/or their representative organisations), with or without indirect government involvement. Social dialogue processes can be informal or institutionalised, and often it is a combination of the two. It can take place at the national, regional or at enterprise level. It can be inter-professional, sectoral or a combination of these <sup>1</sup>.

Social dialogue is a well-established mechanism across most countries to bring together the three parties with expertise and influence on work and employment; employers, workers and the state. The [appendix to this report](#) summarises arrangements for social dialogue in three countries:

- Denmark has been chosen because it is a small country (population 5.8 million) with a successful economy and an approach to regulating issues of work and employment that relies on unions and employers negotiating, rather than a strong reliance on state or legal regulation.
- Singapore has been chosen because it is also a highly successful small country (population 5.7 million) which has much greater state influence in the running of the economy and in regulating work and employment. Nonetheless, it still has strong and well-established structures of social dialogue at multiple levels.
- The example of Wales is also included because of the recent decision to establish a stronger and more formal engagement of social partners (employers and unions) in work and employment policy.

In the past, social dialogue was sometimes called 'social partnership' especially at European Union level. That term has fallen out of use because it has a tendency – in English at least – to assume that the three parties all understand themselves to be partners committed to broadly shared objectives. That is sometimes not a shared assumption, and the term 'social dialogue' has become more widely used as it both places the emphasis on continued discussion and also does not embed the idea of partnership, while still allowing space for partnership where that is feasible.

The main goal of social dialogue is to promote consensus-building and democratic involvement among the main stakeholders in the world of work. Successful social dialogue structures and processes have the potential to resolve important economic and social issues, encourage good governance, advance social and industrial peace and stability and boost economic progress <sup>1</sup>. Social dialogue includes all the mechanisms by which employers, workers and the state can communicate, discuss and bargain issues relating to work and employment. This can include everything from a company-level discussion forum through to formal collective bargaining, as well as consultation and involvement by the state to hear the voices of workers and employers in policy making. Although in Scotland, many issues that can be a focus of social dialogue are reserved to the UK Parliament (minimum wages, health and safety etc.), because social dialogue has a consensus-

building aspect to it, it can be helpful in developing a shared perspective on employment challenges.

**Table 1: Forms of social dialogue**

	Bipartite social dialogue	Tripartite social dialogue
<b>PARTIES INVOLVED</b>	Employees or their representatives  Employers or an employers' representative organisation	Employees or their representatives  Employers or an employers' representative organisation  Government representatives
<b>FORMS OF GOVERNANCE</b>	Trade union involvement  Workers' councils	Sector social dialogue councils
<b>FORMS OF SOCIAL DIALOGUE</b>	Collective bargaining  Joint decision making on specific issues  Consultation on decisions	Sectoral collective bargaining  Consultation and negotiation on employment law and policies
<b>OUTCOMES</b>	Collective bargaining agreements e.g. on pay and terms and conditions  Company policy changes  Transnational company agreements	National and international labour standards  Employment policies  Employment laws

[SocialDialogue.com](http://SocialDialogue.com)

The role of the state is central; it is not and cannot be passive. To cite the ILO again, the state “creates a stable political and civil climate which enables autonomous employers’ and workers’ organisations to operate freely.”<sup>1</sup> This report focuses specifically on the ways that social partners (especially employers’ representative organisations) are consulted on and involved in the process of developing national labour standards and policies because this is a key area of action in Scotland.

## Why is social dialogue so important in the area of skills and training?

One of the areas where there is generally a consensus about benefits between all three parties is skills and training. Employers either need to recruit or train staff to the appropriate level of skills. Workers generally benefit from improving their skills. Both skills that are specific to their job and their organisation, and more general skills that may help them navigate the labour market in future. And the state generally benefits when high-skilled jobs are created because of the higher levels of pay, well-being and tax take.

With this starting point, skills and training is an area where the shared interests of employers, workers and the state are perhaps more in alignment than in other areas of the employment relationship, such as pay or working time. This greater shared interest creates an opportunity for bipartite (employers and workers, typically represented by unions) and tripartite (employers, workers/unions and the state) forums for discussion, policy setting and negotiation. This is visible even in a context such as the UK, where there is not such a strong emphasis on regulating work and employment through these kinds of mechanisms as in many competitor countries.

## Why focus on employers and their representative organisations?

The roles of employers' representative organisations (EROs) has changed fundamentally since the decline of collective bargaining during the 1980s and 1990s. Many have collapsed and those that remain have diversified their roles, often to focus more actively on lobbying and offering employment advice to members<sup>2</sup>. Internal decision making structures that would facilitate effective decision making and allow a strong collective position to be articulated on a particular policy or issue are often weak or absent. The long-term effect has been to weaken the capacity and legitimacy of many EROs, and it can be challenging to systematically engage employers and their EROs in policy making and implementation.

These changes have also reduced the influence of many forums that brought employers, unions, and sometimes the state, together to discuss and negotiate labour market policy. Some were rebuilt and/or re-established during the 1997-2010 period of Labour governments (e.g. the Low Pay Commission and Sector Skills Councils) but the dominant approach to labour market policy at UK level has been to reduce and remove the influence of these collective bodies<sup>3</sup>. Scotland has attempted to rebuild some of these structures through, for example, the Fair Work Convention and, as will be outlined later, retains some structures of industry-level forums to discuss skills and other issues, but there is often confusion about the authority and role of various bodies.

As employers are the dominant actor in influencing the opportunities for training and skills development, it is probably unsurprising that the effects of these challenges can be seen in this arena. Engaging employers systematically around vocational education and training (VET) issues remains a challenge for policy makers. There is a tendency to engage a relatively small number of employers – often larger employers - who participate regularly while it remains difficult to engage smaller employers and those not already connected to the policy process. This is a key issue explaining the patchy engagement with policies such as apprenticeships.

The COVID-19 crisis of 2020-21 has provided the impetus to informally bring together a range of stakeholders at this time of international emergency. But these have had to rely on existing formal and informal representation bodies and networks. With efforts to rebuild the economy and labour market and move beyond the initial trauma of the pandemic, there is scope to reimagine what an effective structure of social dialogue in Scotland might look like. Employers need to secure and develop a skilled workforce in the years to come and they are central to creating a dynamic and productive labour market providing fair work for all. Understanding the current challenges of engaging employers in social dialogue around skills and training is therefore crucial.

## The Scottish context

In recent years, the Scottish Government and its agencies, as well as local authorities, have developed a wide range of policies and practices relating to work and employment. Many of these are set out in the Scottish Government's [Labour Market Strategy](#). This includes specific focus on skills and vocational education and training through strategies such as the [Developing the Young Workforce](#) strategy and the National Strategy for

Economic Transformation. The focus on fair work through the also emphasises the importance of social dialogue - although that is not generally the language adopted – in achieving strategic objectives.

There is clearly an inclination towards involving social partners in policy making around labour market issues in general, and skills and training specifically. The policy areas highlighted above have involved EROs, trade unions, third sector organisations and other specialists as well as MSPs, Ministers and civil servants. This approach is to be applauded. However, it is not clear that there is a systematisation or formalisation of this approach, and that risks undermining both the legitimacy and the representational capacity of social partners, including EROs. There is clearly scope to embed and formalise this and one of the ways to help achieve formalisation would be to ensure systematic, effective and legitimate employer representation.



# Project aims and findings

With this background, the project set out to explore how key stakeholders perceive the effectiveness of current structures of representation of employers' interests in policy making around skills and training in Scotland. Although the project was disrupted – and eventually extended by a year – due to the COVID-19 crisis, this allowed the opportunity to reflect on the effectiveness of these structures in response to a crisis so severe that it has affected every employer and every sector of the economy.

Thirty two participants were interviewed for the project. All were selected because of their expertise in the area of either making representation on behalf of an employers' representative organisation, or are specialist stakeholders. Most voices (22) were from employers' organisations representing a range of sectors across the Scottish economy and labour market.

In line with the ethics approval granted by the University of Glasgow all participants and their specific roles are anonymous.

The project explored four key questions relating to the views of EROs with regard to social dialogue around skills and training. These questions are informed by the [ILO's summary of the conditions necessary for effective social dialogue](#):

- Do participants view there to be appropriate technical capacity and relevant information to participate in social dialogue?
- Do they see a political will and commitment to engage in social dialogue on the part of all parties?
- Is there respect for fundamental rights of freedom of association and collective bargaining?
- Is there appropriate institutional support for social dialogue?

These are used to structure the report's findings and allow for exploration of key strengths and weaknesses of existing structures.

## Structures of employer representation in Scotland

Structures of employer representation in Scotland are complex and overlapping.

With regard to organisations representing employers' interests, at UK level Demougin *et al* (2019) <sup>2</sup> identify four main types with an involvement in people management issues:

1. **Negotiating organisations.** These undertake collective bargaining with unions and account for around 13% of UK employers' organisations.
2. **Lobbying organisations.** These engage with governments to represent employers' interests in shaping employment law and policy. They account for around 56% of UK employers' organisations.
3. **Standard setting organisations.** These define and implement labour standards by working with third sector organisations such as the Living Wage campaign or around



specific issues such as employing workers with disabilities. They account for around 3% of UK employers' organisations.

4. **Service providers.** These provide HR guidance and advice to member organisations and account for around 28% of UK employers' organisations.

Type 4 is generally not engaged in any form of social dialogue but the other three are and they highlight the different roles that employers' organisations can take on. Scottish-specific data is not available, but there is no reason to think that it is significantly out of line with UK-level data.

These organisations sit on, and work with, a wide range of committees, forums and bodies at national, regional, sectoral and local levels. Probably most importantly for the purpose of this report are the Industry Leadership Groups, Skills Development Scotland, and Sector Skills Councils. But it is important to note that this is not an exhaustive list and many other bodies exist with at least some remit for skills at city/region level, and where UK-level policies exist.

## **Do employers' representative organisations believe they have the appropriate technical capacity and expertise to participate in social dialogue?**

Representative capacity refers to the ability of social partners (here: employers organisations) to take on the role of representing members. That can be affected by issues such as the proportion of employers they represent in a given sector or industry, the number and skills of their representatives, their ability to understand and engage with key issues, and the extent to which they have a seat at relevant tables of social dialogue.

A clear message that rang through many of the interviews was that the capacity for effective representation is extremely limited. The two most cited reasons for this were 1) limited financial resources, and 2) limited staff with appropriate skills and experience.

Representative legitimacy is also clearly a challenge. This refers to the extent to which the representative organisation is legitimately speaking for the constituency they claim to represent. This can be measured both in absolute terms (e.g. the proportion of the constituency that are members of the organisation) and also in terms of the structures used to develop a collective position on a specific issue (i.e. the extent to which members are involved in reaching a particular position). It can also derive from simply having expertise in a particular area or on a specific topic without a formal democratic mandate. In social dialogue forums, this is often the basis of the involvement of representative organisations.

While it was not proactively raised by interviewees, when probed, it is clear that the mechanisms for securing legitimacy often – but not always - derive from expertise rather than formal democratic consultation. There were examples given where representatives had consulted widely with member employers, and these were typically when being asked to make formal representation as part of a governmental or parliamentary process which allowed time to consult. Beyond that, most organisations had systems and structures to shape policy positions on key issues, including employment and skills, and allow those expert representatives to speak for member employers.

A consistent challenge identified by interviewees was that even when they did run consultation exercises with members, it was usually a small group of members who regularly contributed. All organisations identified challenges engaging small and medium sized employers and some had put in place systems to ensure that they regularly canvassed those members in other forums about upcoming issues.

Overall, then, while interviewees were confident that they were representing a coherent and consistent organisational policy on employment and skills, as well as other issues, that often came from knowing the membership, rather than formal internal processes of consultation and interest representation. This places expert representatives in an important position when representing employers' interests and it is clear that the demands placed on these experts are significant and can expand rapidly, meaning they are often stretched.

## **Do employers' representative organisations see political will and commitment to engage in social dialogue on the part of all parties?**

The evidence reported here is largely positive. Interviewees were near-unanimous that there is a great deal of opportunity to engage in social dialogue in general, and around skills and training specifically. There is a strong recognition that there is, by and large, a willingness from politicians, civil servants and workers' representative organisations (mainly trade unions) to discuss and consult on many issues. Focusing on employers' engagement with shaping policy in the area of skills and training as a specific focus, there were a number of respondents who work both with the devolved government and parliament, and with the UK institutions. There was quite a widespread view that Scottish government and parliamentary representatives make themselves available to engage on this issue – and more widely than UK level equivalents.

However, concerns were raised that the complexity of structures for discussion, consultation and negotiation mean that sometimes the processes necessary for formal, collective representation with members were not always understood and accommodated within consultation procedures. Examples were given where consultation times were too short or where there was simply insufficient data to be able to respond effectively.

A further concern was raised through a specific example where an employers' representative organisation had responded to a consultation around an issue not related to skills and training. The response had been received as being from a single organisation rather than representing the views of the many hundreds of employers who are members of this ERO. Feedback to the ERO indicated that it would have been more effective to get their individual members to respond one by one. This was reported as generating significant frustration because the representative capacity and legitimacy of the ERO was not fully acknowledged and was possibly misunderstood in this process.

This example highlights how important it is that wider systems of discussion, representation and negotiation both understand the legitimacy and capacity of these organisations to represent members, and also account for that in consultation processes. This still leaves open the question of the extent to which consultation shapes policies, but engagement mechanisms that explicitly recognise the role of representative organisations are essential to achieve any level of engagement of social partners in policy making.

A final point was raised by a small number of respondents relating to the challenges of presenting some areas of work and employment policy to their members. The agenda and framing around Fair Work was acknowledged to not always cut through with employers and was reported to be a barrier to engaging some in wider policy discussions around work and employment. Several respondents noted, however, that skills and training was probably the area where there was most engagement from employers, so was less of a concern on this issue than some others.

## **Do employers' representative organisations believe there to be a respect for fundamental rights of freedom of association and collective bargaining from all parties?**

Again, the evidence here was largely positive. The structure of collective bargaining in Scotland and the UK means that the vast majority of employers who undertake collective negotiation of terms of employment with a union do so at a local level. Unsurprisingly, EROs understand and respect the legitimacy of company-level social dialogue. The dominant view was that company-level social dialogue – either in the form of formal collective bargaining or more informal mechanisms – is helpful in the area of skills and training to build common ground with workers and, where relevant, their unions. Company-level social dialogue around skills and training can support the development of better quality training outcomes. An example was given of a union requesting an employer to look at post-apprenticeship outcomes to facilitate a greater number of apprentices moving into core posts after their training.

## **Do employers' representative organisations believe there is appropriate institutional support for social dialogue**

The headline here is that there is widely regarded to be opportunity for social dialogue, but the overlapping nature of those structures and the limited support available leads to complexity and confusion. This is not an argument that there are simply too many EROs but rather that the myriad of forums within which EROs have a role means that they were often replicating key issues and discussions – sometimes with the same representatives in the room. Each forum has a specific remit or focus, but the issue of skills comes up in many forms and in many places meaning that the representational legitimacy of each forum is often unclear.

One set of bodies that was largely praised because of the level of support they receive is the Industry Leadership Groups (ILGs). The structure of the ILGs means that the engagement of politicians and other agencies (specifically mentioned was Skills Development Scotland) is helpful in developing a coalition of interests around key issues discussed with support from the relevant parties needed to secure action. However, ILGs were identified as only having patchy coverage across the labour market and economy with not all sectors represented. There is also significant variation in remit, focus and

make-up. Nonetheless, they are reported as providing an effective mechanism to discuss skills and training (among other agendas) and some are working highly effectively in this space.

## **Headlines from stakeholder interviews**

- The complexity of structures for engagement in social dialogue was consistently identified as a problematic feature for employers in Scotland.
- While some benefits were noted (many routes to discuss issues) this complexity was, for the vast majority of interviewees, a problem rather than a benefit.
- Skills and training are rarely mandated as a specific focus of social dialogue.
- ILGs are seen as largely positive forums in this space, but representative coverage is patchy and the focus of discussion is inconsistent.
- SMEs are not always well-represented but this reflects significant practical challenges engaging them in policy discussions and social dialogue more generally.

# Recommendations

This section includes a number of recommendations aimed at strengthening social dialogue in the skills and training policy area. These are the views of Professor Simms. They are based on the findings of interviews conducted during 2019 and 2020 with employers and employer organisations.

## **Recommendation 1: Put social dialogue at the heart of policy making around skills and training**

It is clear that although there is a commitment to inclusive decision making from the Scottish government, and around skills and training specifically, this is not systematically embedded into policy making. Because of the broad agreement that skills development is an issue of relevance to employers, unions and the state, strengthening and systematising this would very likely reap rewards with greater confidence outcomes and higher engagement from social partners.

- Embed a requirement for engaging in social dialogue into the policy making process around skills and training, and perhaps more widely. This could include a legal duty in public bodies to engage.
- To support this, clarify and strengthen the structure of social dialogue. Rather than build new forums, this could be achieved through reviewing the remit of existing structures such as ILGs (see Recommendation 2). And by ensuring support to build capacity of representative organisations.

## **Recommendation 2: Clarify the structure of social dialogue in Scotland**

It would be remiss not to explore the possibilities to clarify structures of social dialogue in Scotland. There is an opportunity to review structures that already exist, so the effectiveness of Industry Leadership Groups (ILGs) should not be ignored. Here, it is important to note the Senior Review published in Summer 2020<sup>4</sup>. This report broadly aligns with those recommendations, but with an increased emphasis on the capacity for dialogue around skills.

Specific recommendations:

- Clarify the role of ILGs (perhaps rebranding and relaunching them in line with the recommendations in the Senior Review) so they are tripartite social dialogue forums.
- Clarify and make consistent the remit for dialogue within ILGs. Skills and training should be a specific area.
- Ensure coverage of all sectors in the Scottish economy and labour market.
- Clarify the involvement of Ministers, civil servants and other representatives.
- Ensure consistent representation of worker representatives – probably through relevant trade unions.
- Ensure attention to effective representation of small and medium sized enterprises (SMEs). This could include a specific requirement to organise sub-forum(s) to

represent SMEs.

### **Recommendation 3: Strengthen the legitimacy and capacity of collective representatives – including employer representative organisations**

Any reform and/or extension of social dialogue requires attention to the representative capacity and legitimacy of social partners, including EROs. Specific recommendations in this area:

- Ensure that all parties to consultation and negotiation structures understand the collective capacity of representative organisations. This would ensure that a single response from, say, an employers' representative organisation is taken as having representative legitimacy. If this does not happen, EROs will be incentivised to ask all members to respond to e.g. consultations, thereby undermining the legitimacy of collective representation.
- Strengthening structures of social dialogue will require resource to ensure the capacity of representative organisations. This might be in the form of a research service, or funding to bipartite and tripartite bodies to strengthen their research and information capacity. Funding could come from Scottish Government, but also expertise within other bodies such as Higher Education Institutions.

# Case studies - social dialogue in other countries

## Denmark

Social dialogue is a central principle of the Danish labour market model. The Danish Model involves the government, EROs and unions, although the government is only involved in tripartite negotiations on high-level matters like unemployment benefits, industrial injury insurance, and education. Employer and employee representative organisations negotiate salaries and working conditions through collective bargaining. Collective bargaining coverage is high; 74% of workers employed in the private sector and 100% of those in the public sector were covered by collective bargaining in 2015.

### Danish representative organisations

Around 60-70% of Danish employers are members of their representative organisation. Danish employers can voluntarily join associations that are then constituent members of the highest-level representative bodies (known as 'peak-level organisations'). The Confederation of Danish Employers (DA) is the biggest peak-level ERO with more than 28,000 Danish companies in manufacturing, retail, transport, services and construction and is a key agent representing employers' interests. DA consists of 14 sector federations and represents the vast majority of employers in the private sector.

DA coordinates collective agreements, employment policy and skills, occupational health and safety, labour law, international industrial relations, monitoring in terms of analysis and statistics on wages, absenteeism, conflicts etc. There are strong democratic mechanisms for deciding policy and cascading the outcomes of any high-level bipartite and tripartite consultations and negotiations.

Danish employees are voluntarily organised into trade unions that form peak-level organisations for collective bargaining. The biggest employee organisation is The Danish Confederation of Trade Unions. The proportion of employees in unions is 67% which is relatively high compared to many international competitor countries. Union density in Scotland is around 23%.

### Where are social partners represented in Denmark?

There are nine permanent tripartite/bipartite bodies that are either set up by legislation or collective agreement, and these mostly concern employment, training, and work environment.



**Table 2 – Social dialogue forums in Denmark**

Name	Type	Level	Issues covered
<i>National Cooperation Council</i>	Bipartite	National	Cooperation council administrating the Cooperation Agreement (2006) between union confederation and DA
<i>Cooperation Committees</i>	Bipartite	Company	Cooperation at workplace – according to the Cooperation Agreement
<i>The National Employment Council</i>	Tripartite	National	Employment creation, employment policy issues
<i>The National Working Environment Council</i>	Tripartite	National	Work environment, occupational health and safety
<i>Regional and local employment councils</i>	Tripartite	Regional and local government	Employment creation, employment policy issues
<i>The National Council for Adult and Further Training</i>	Tripartite	National	Educational issues regarding citizens that need extra qualifications – competence development
<i>Vocational training committees</i>	Tripartite	Occupational	Vocational training, further training
<i>Sector/Branch Work Environment Councils</i>	Tripartite	Sector/branch	Working environment, work environment, occupational health and safety at sector/branch level
<i>Danish Economic Councils</i>	Multipartite	National	Advisory body providing independent analysis and policy advise to Danish policy makers. Consists of The Economic Council and The Environmental Economic Council.

In the private sector, collective bargaining has a clearly defined structure. At the highest level there are the general agreements between the main union confederation and DA, which set the rules for issues which in many other countries might be regulated by law (e.g. minimum wages). In the public sector, the general agreements between the unions and employers' organisations cover the three levels of government employers: central, regional, and local government.

The labour market is mainly regulated by sectoral collective agreements. General collective agreements are then renewed sector by sector. By the end of negotiations all agreements are linked and put to the vote in one single ballot by the two sides of industry. This ensures that all agreements are either adopted or rejected at the same time. The duration of a collective agreement is usually three years.

## Social dialogue around skills and training in Denmark

Active participation of social partners is central to the Danish Vocational Education Training system. Close cooperation between the social partners ensures that the system is widely regarded as being particularly responsive to the skills needs of the labour market<sup>5</sup>. Social partners are represented on three levels. First, in the national-level Vocational Education Training Council social partners give advice to the Minister of Education on objectives, structure, admission requirements, qualification needs, certification and quality issues. Second, in the national Trade Committees they provide sector relevant advice on topics like content, structure, duration, and evaluation of programmes. Finally, in the Local Training Committees social partners assist schools in planning the content of the

programmes.

## Singapore

Social dialogue in Singapore is referred to as “social partnership”. Unions, employers and the government negotiate and align interests towards national objectives of economic and social development<sup>6</sup>. The key peak-level partners are the Ministry of Manpower, the National Trades Union Congress (NTUC), and Singapore National Employers Federation (SNEF). The government is a key player in the management of employment relations and this is reflected in the administration of employment laws by the Ministry of Manpower, its role in the settlement of disputes, and participation in various tripartite organizations.

Social dialogue is based on the following pillars: 1) strong informal and formal networks of communication, 2) strong government involvement, 3) the primary concern of economic growth, 4) political stability and industrial peace, 5) a strong centralized union movement and 6) a symbiotic relationship between government and unions. The key areas of current concern are job creation, raising the effective retirement age, training and upskilling the workforce, fair and progressive employment practices, and a flexible wage system.

### Singapore representative organisations

The Singapore National Employers Federation (SNEF) is the biggest employer organisation and was established in 1980 with current support of over 3,000 corporate members. SNEF represents the key interests of employers in national level meetings; providing expert consultancy and advice to corporate members; updating members on the latest developments; enabling employers to develop sustainable and competitive workforces through training programmes, organising Training Institute and productivity programmes; facilitating employers’ efforts to build an inclusive workforce and progressive workplaces through programmes focusing on workplace health, fair employment and work-life balance; and providing research and information on local HR and employment trends.

There is only one union federation – the National Trades Union Congress. As of 2005, there were 63 unions and 6 associations affiliated to the Congress. Its role is to help the country to stay competitive; build a strong, responsible and caring movement; foster good employment relations and actively participate in tripartism. In addition to traditional collective bargaining and safeguarding jobs, unions also have a crucial role to play to increase the employability of workers. The NTUC maintains strong ties with the government<sup>7</sup>.

### Where are social partners represented in Singapore?

Social partners are represented in tripartite committees and initiatives that provide guidelines and recommendations on issues such as wages, fair employment and employing older workers.

**Table 3 – Social dialogue in Singapore**

Name	Issues covered
<i>Singapore Tripartism Forum</i>	<ul style="list-style-type: none"> <li>• Designed to broaden, deepen and strengthen the spirit of tripartism through a structured framework.</li> <li>• Provides a platform for the tripartite partners to table concerns and work together more effectively to overcome the complex economic challenges faced by Singapore.</li> </ul>
<i>National Wages Council</i>	<ul style="list-style-type: none"> <li>• Meets annually to discuss and forge national consensus on wage and wage-related matters. It issues guidelines on these matters every year based on the tripartite consensus reached during the discussions.</li> <li>• Decisions made are in line with Singapore’s social development and long-term economic growth.</li> </ul>
<i>Tripartite Alliance for Fair and Progressive Employment Practices</i>	<ul style="list-style-type: none"> <li>• Promotes greater awareness of fair and progressive employment practices among employers and the public.</li> <li>• Provides a range of services, tools and resources, including training workshops, advisory services, and educational materials, to help organisations implement fair and progressive employment practices and comply with employment legislation.</li> </ul>
<i>Tripartite Committee on Employability of Older Workers</i>	<ul style="list-style-type: none"> <li>• Recommends measures to enhance the employability of older workers and help them stay employed longer.</li> <li>• Aims to positively shape the perceptions and mindsets of employers, employees and the public towards the employment of older workers.</li> </ul>
<i>Tripartite Committee for Low- wage Workers and Inclusive Growth</i>	<ul style="list-style-type: none"> <li>• Recommends ways to improve the employment standards and working conditions of LWWs, including promoting best outsourcing.</li> <li>• Identifies opportunities for income growth and job mobility for LWWs, including promoting WTS take up and finding ways to overcome training obstacles among LWWs.</li> <li>• Drives outreach and promotional activities on LWW initiatives, including developing media plans to drive LWW messages.</li> </ul>
<i>Tripartite Committee on Work- Life Strategy</i>	<ul style="list-style-type: none"> <li>• Formulates strategies and measures to help organisations build capabilities in implementing and managing flexible work arrangements.</li> <li>• Promotes and encourages organisations to adopt effective work- life strategies, including flexible work arrangements that enhance: their business performance and ability to attract and retain valued employees; their employees’ productivity and ability to effectively manage their work and family responsibilities.</li> <li>• Monitors and reviews the adoption of flexible work arrangements by organisations in Singapore with a view to improving work life harmony at the workplace.</li> </ul>
<i>Tripartite Panel on Community Engagement at Workplaces</i>	<ul style="list-style-type: none"> <li>• Provides guidance for the Community Engagement Programme for businesses and unions.</li> <li>• Aims to build socially harmonious and secure workplaces through promoting understanding, respect and bonding between different communities. The panel also seeks to prepare workplaces to deal with situations that cause problems to harmonious working relationships.</li> </ul>

## Social dialogue around skills and training in Singapore

Skills and training is at heart of the Singapore’s long term economic growth plan. Businesses in Singapore in general enjoy a high quality of human capital as the country invests heavily in human resources.

The government is deeply involved in creating and revising the skills and training strategy. Government provides strong funding support for the nation’s vocational education and training program and establishes the framework for skills certification. Particularly during Covid-19, the government has worked with the private sector to get workers hired through temporary assignments to improve their skills while waiting for permanent jobs to open up. There is also investment in reskilling and upskilling of workers who still have jobs and

those who may have been on short time work schemes during the pandemic. There has also been agreement on expanded training opportunities through a strategic action plan called *Next Bound of SkillsFuture*; a government programme facilitating skills-related credits for individuals and companies.

The investment in digital workplace transformation since 2016 on digital workplace transformation is now yielding results<sup>8</sup>. At both strategic and policy levels, employers' organizations provide crucial information on skills needs, contribute to the design of occupational, training and assessment standards, and to skills delivery through apprenticeships, traineeships, internships and other forms of work-based training. Skills bodies with strong employer engagement also influence skills demand in the workplace through high-performance working practices.

# Fair Work Commission in Wales

In 2017, the Welsh government created a tripartite Fair Work Board, followed in 2018 by the establishment of an independent Fair Work Commission set up by First Minister. The Commission reported in March 2019 and produced both a definition of fair work and a series of policy recommendations. The Welsh Government fully accepted the Commission's report and has subsequently created a new institution—the Social Partnership and Fair Work Directorate within the Office of the First Minister—to oversee the implementation of the recommendations. In the wake of the report of the Fair Work Commission, the Welsh Government is considering strengthening these provisions and is proposing a Social Partnership and Public Procurement Act which is currently in a consultation process.

## What did the Fair Work Commission recommend?

The Fair Work Commission report makes a total of 48 recommendations; 36 of them are very specific recommendations for promoting fair work, dividing them into six sections:

- legislating for Fair Work
- promoting Fair Work through Economic Incentives
- promoting Fair Work through Trade Unions and Collective Bargaining
- spreading awareness and ownership of fair work
- taking Fair Work Forward: Building Capacity, Institutions and Mechanism
- social dialogue.

## Training and skills

Training and skills development are not only understood as important aspects of fair work in their own right, but also as an important mechanism to ensuring job security. Access to reskilling and training for change as well as externally recognised accredited skills courses are therefore central to the delivery of fair work in the Welsh context. The Fair Work Commission therefore recommended increasing awareness of rights among (prospective) workers through, for example, Careers Wales, Skills Gateway, and through work-based learning providers in relation to apprenticeships. A further example of training and skills involvement is the Welsh Government funding of Union Learning Representatives (ULRs) (similar to Scotland's [Union Learning](#)) via the Wales Union Learning Fund which develops the employability and essential skills of the workforce. Recent evaluation shows ULRs are highly effective at engaging workers in learning and delivering significant financial benefits for workers and employers. Crucially they are valued by both social partners.

# Bibliography

- 1 International Labour Organisation. (2021). What is social dialogue. Retrieved from <https://www.ilo.org/ifpdial/areas-of-work/social-dialogue/lang--en/index.htm>
- 2 Demougin, P., Gooberman, L., & Heery, E. (2019). Employer organisations transformed. *Human Resource Management Journal*. 29 (1) pp1-16. . *Human Resource Management Journal*.
- 3 Dickens, L., & Hall, M. (2009). *Legal regulation and the changing workplace*. In: Brown W , Bryson A , Forth J and Whitfield K (eds) *The Evolution of the Modern Workplace*. Cambridge: Cambridge University Press, 332-352. . (n.p.): (n.p.).
- 4 Industry Leadership Groups review. (2020, July). Retrieved from <https://www.gov.scot/publications/industry-leadership-groups-review/>
- 5 European Centre for the development of vocational training. (2012). Vocational education and training in Denmark. Retrieved from [https://www.cedefop.europa.eu/files/4112\\_en.pdf](https://www.cedefop.europa.eu/files/4112_en.pdf)
- 6 Singapore Tripartism Forum. (2020). Tripartism in Singapore. Retrieved from <https://www.tripartism.sg/page/Tripartism-in-Singapore/>
- 7 International Labour Organisation (ILO). (2010). Tripartism and social dialogue in Singapore. Retrieved from <https://apirnet.ilo.org/resources/tripartism-and-social-dialogue-in-singapore>
- 8 International Labour Organisation (ILO). (2020). Social Dialogue and the Future of Work. Retrieved from <https://www.theglobaldeal.com/resources/Thematic-Brief-Social-Dialogue-and-the-FoW.pdf>





Scottish Parliament Information Centre (SPICe) Briefings are compiled for the benefit of the Members of the Parliament and their personal staff. Authors are available to discuss the contents of these papers with MSPs and their staff who should contact Greig Liddell on telephone number 86589 or [greig.liddell@parliament.scot](mailto:greig.liddell@parliament.scot).

Members of the public or external organisations may comment on this briefing by emailing us at [SPICe@parliament.scot](mailto:SPICe@parliament.scot). However, researchers are unable to enter into personal discussion in relation to SPICe Briefing Papers. If you have any general questions about the work of the Parliament you can email the Parliament's Public Information Service at [sp.info@parliament.scot](mailto:sp.info@parliament.scot). Every effort is made to ensure that the information contained in SPICe briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

