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## Article

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# EUROPEAN EXPERIENCE OF SOCIAL PARTNERSHIP IN THE LABOUR FIELD: PERSPECTIVES FOR THE REPUBLIC OF MOLDOVA

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**Abstract:** *European integration is not a slogan, a political discourse or a foundation for the political platform of political parties. European integration includes concrete directives of action to be taken into account by all states. One of the most important of them might be considered the social partnership in the labour field. Under current circumstances, the need to study relations established within social partnership, factors contributing to social dialogue development and fulfillment of social partnership potential within existing political and socio-economic reforms increased. Analysis of European dimension of Moldovan social partnership evolution is essential for further democratization of labour field and European perspectives of the country.*

**Keywords:** social partnership, trade unions, labour market, new social partnership, employers, employees, labour conflict.

**JEL Classification:** J5

## INTRODUCTION

The history of formation of social partnership and its role in the development and execution of tripartite agreements has been shaped earlier. The necessity to attract main social partners to discuss and settle significant problems relative to social life and establishment of tripartite structures (Government, entrepreneurs, trade unions) to achieve such goals, started to be perceived and realized both at national and international levels at the beginning of the last century. Although the first attempts to solve labor conflicts through negotiations between employers and employees have been reported since the XIX<sup>th</sup> century, only after the World War One, along with the establishment of the International Labour Organization, one may talk about the genesis of the principles of social partnership and collective negotiations as a means to solve problems specific to labour relations (Dombre, Feldengut and Weinspach, 2005).

In its contemporary sense, social partnership was consolidated at the middle of the XX<sup>th</sup> century, along with the outburst of the economic crisis, which had a severe impact not only on small

business, but also on big corporations. The economic crisis led to intensification of the employees struggle for their rights and interests. Thus, strikes broke out across the whole Europe. In 1948 in France, for instance, over 6 million people took part in strikes and demonstrations (Lutohina, 2003). This strain created within the society forced employers to change their strategy and tactics of cooperation with trade unions. As a result, a bipartite partnership was created, which over the years evolved into a tripartite arrangement. At the beginning of the XXI<sup>st</sup> century, some researches made by the ILO set forth a multipartite partnership.

Researchers in the field highlight three basic models of social partnership (Mikheev, 2001). *The first model* was established in the northern Europe - Sweden, Finland, Norway and Belgium. It is characterized by active intervention of the state in labour relations and their subsequent regulation. Within the framework of this model, establishment of partnership at three levels: national-state, sectoral and primary (the enterprise), is highly important. For example, the National Labour Council was set up in Belgium. The three partners are equally represented within the Council. The state is also vested with legislative function. At the sectoral level, parity commissions are established. As to the enterprises, all problems are solved within a bipartite collaboration - employer-employee.

*The second model* of social partnership is characterized by existence of a single level. It is limited to the execution of collective agreements only at the enterprise level. This model is typical for Canada, U.S.A. and Japan. In these states, trade unions and patronages, through their delegates, make every reasonable effort to influence the legislative branch. Relations among social partners are characterized by existence of such links.

*The third model* is characteristic for the Central Europe (Germany, Austria, etc.). In this intermediary model, relations among social partners are placed at the sectoral level. At the state level no tripartite agreements are signed, there being held only consultations, which are not mandatory.

## **1. NEW APPROACHES TO EUROPEAN SOCIAL PARTNERSHIP**

Upon enlargement of the European Union, the problem of a new social partnership (Nelson and Zadek, 2010) arose, which turned into “a cross-sector alliance in which individuals, groups or organizations agree to: work together to fulfill an obligation or undertake a specific task; share the

risks as well as the benefits; and review the relationship regularly, revising their agreement as necessary.” (Prince of Wales Business Leaders Forum)

Social partnership is also “.... a voluntary and collaborative effort among businesses, nonprofit groups, and government agencies working on a sustained basis to address a...challenge that is important to all the parties.” (World Resources Institute)

As a foundation of a multipartite social partnership, it is worth mentioning that it may represent „ Three or more organizations – representing the public, private and voluntary sector – acting together by contributing their diverse resources to pursue a common vision with clearly defined goals and objectives. The objective of a partnership should be to deliver more than the sum of the individual parts.” (Ashridge Centre for Business and Society)

Within the unite Europe, the role of people and organizations is also emphasized from some combination of public, business and civil constituencies which engage in voluntary, mutually beneficial, innovative relationships to address common societal aims through combining their resources and competencies.” (Nelson and Zadek, 2010)

Challenges of new social partnership:

- ✓ *Reconciling economic competitiveness with social cohesion.*
- ✓ *Balancing labour market flexibility with personal security and employment.*
- ✓ *Investing in integration within the existing European Union and enlargement beyond it to embrace new member states.*
- ✓ *Finding the right balance between state provision of social services and fully privatised approaches.*
- ✓ *Promoting regional interdependence with respecting national cultures and local identities.*
- ✓ *Reconciling the need for fiscal constraint with the costs of social security.*
- ✓ *Incentivising and supporting the “have-nots” (people who are suffering as a result of socio-economic change) without demotivating or creating obstacles for the “haves” (people who are benefiting from such change).*
- ✓ *Adapting Europe’s institutions to meet the needs of today’s global economy without destroying the social value on which these institutions were built.*
- ✓ *Power sharing between supranational, national and local government structures and between these structures and non-governmental actors.*

Based on the new tendencies within the European Union, the Copenhagen Centre developed the following principles of the new social partnership:

- Societal aims – motivation to participate is being determined by achievement of some societal benefits by inclusion of disadvantaged individuals or groups.
- Innovation – social partnership organized with the view to support the integrated model of economic and social development.
- Multi-constituency – participation of two and more representatives of public and private sectors, civil society, attention being paid to the local level.
- Voluntary – participation is voluntary, in the sense that it is being based on the active decision, rather than the imperative compliance, which is subject to the risk of non-participation.
- Mutual benefit and shared investment - transparent delimitation of roles and contribution of each part both in investment and costs (Nelson and Zadek, 2010).

## **2. EUROPEAN DIMENSION OF THE PERSPECTIVES OF THE SOCIAL PARTNERSHIP IN LABOUR FIELD OF THE REPUBLIC OF MOLDOVA**

Analysis of the Western experience, along with still insignificant experience of the Republic of Moldova within social partnership, outlines that relations are evolving based on fundamental principles and norms, such as those proper for social and labour fields, on interaction between state bodies and civil society, as well as on universal principles, such as social equity. Social partnership is based solely on mutual recognition of equality among partners in deciding upon the steps and methods to be used to attain their common goal, while maintaining independence and non-interference in the affairs of the other partners. Such relations are built on trust, mutual respect and goodwill.

Pursuant to Article 17 of the Labour Code of the Republic of Moldova, the main principles of social partnership in the Republic of Moldova are as follows (Labour Code, 2003):

- 1) Lawfulness;
- 2) Parties' equality;
- 3) Parity of parties' representation;
- 4) Interest of the parties for participation in the contractual relations;
- 5) Respecting by the parties of the norms of laws in force;

- 6) Mutual trust between parties;
- 7) Assessment of real possibilities of fulfillment of obligations undertaken by the parties;
- 8) Priority of methods and procedures of conciliation and the obligatory consultation with the parties on the issues related to labour field and social policies;
- 9) Obligatory execution of the collective labour contracts, collective conventions and other agreements;
- 10) Taking decisions and undertaking actions within the limits of the rules and procedures coordinated by parties.

Establishment of principles of social partnership in law does not necessarily imply their observance. For this purpose, social partners and society as a whole shall apply all reasonable efforts. In its practical activity, social partnership is being guided by the international standards and expresses itself through mutual consultations, discussions and taking of joint decisions. The Republic of Moldova, being a member of the ILO, follows the international labour standards. Our country has already ratified several international conventions, developed by the foregoing international body, quite important to the implementation of social partnership in the Republic of Moldova.

Thus, among the Conventions ratified by our country, two of them - no.144, approved by the International Labour Organization in 1976 and no.154, approved in 1981 - are developed under the international law, in order to regulate the relations in the sphere of social partnership.

The Republic of Moldova offers real conditions for the social partnership to contribute to socio-political stability, coordinating various aspects of socio-economic policy of the state. References to the policy of tripartite collaboration are being made in many legislative acts, through which the state has expressed its willingness to promote relations, other than authoritarian, including in the social sphere of labour. Thus, the existing legal framework is composed of:

- *Decision of the Government of the Republic of Moldova no. 356 dated 26<sup>th</sup> April 1999 on Concept confirmation of the social dialogue system development;*
- *Law on Patronage no.976-XIV dated 11<sup>th</sup> May 2000;*
- *Law on Trade Unions no. 1129-XIV dated 07<sup>th</sup> July2000;*
- *The Labour Code of the Republic of Moldova;*
- *Organic law no. 245 dated 21<sup>st</sup> July 2006 on the way of organization and functioning of the National Commission for collective consultations and negotiations, of Commissions for collective consultations and negotiations at territorial and primary levels.*

A key document that regulates relations among the social partners is the Labour Code of the Republic of Moldova (Labour Code, 2003), which in Title II „SOCIAL PARTNERSHIP IN THE FIELD OF LABOUR”, Chapter I, describes the term of social partnership, as well as lists the parties of social partnership. Thus, subject to it, Social Partnership represents a system of relations established between employees (employee representatives), employers (representatives of the employers) and the respective public authorities in the process of determining and fulfilling the social and economic interests and rights of the parties, which are:

(1) The parties of social partnership at entity level are employees and employers as representatives empowered in the established manner.

(2) The parties of social partnership at national, sectoral and territorial levels are trade unions, patronages and the corresponding public authorities, as representatives empowered in the established manner.

(3) Public authorities are a party of the social partnership in the cases when they act as employers or as their representatives empowered by law or by other employers.

In Article 19 of the Labour Code of the Republic of Moldova (Labour Code, 2003), the local legislators provide for the following forms of social partnership: collective negotiations regarding elaboration of drafts of collective labour contracts and collective conventions and their conclusion on bi- or tripartite bases, through representatives of the social partnership parties; participation in the examination of drafts of the normative documents and proposals regarding the social-economic reforms, in the improvement of labour legislation, assurance of civil conciliation, settlement of collective labour conflicts; mutual consultations (negotiations) on issues related to regulation of work relations and relations directly related to them; participation of employees (their representatives) in the entity administration. (Labour Code, 2003)

## CONCLUSIONS

Based on the above, we can conclude the following with the view to make social dialogue more efficient. Social dialogue is a democratic mechanism within the European Community. Trade unions are indisputable and binding partners within this partnership mechanism. Therefore, the primary task of the trade unions in the Republic of Moldova is to review the mechanism of social partnership in terms of European integration. It is also clearly necessary to realize that without this

mechanism we cannot integrate efficiently. As a result, the partners shall change from inside their attitude towards this mechanism and shall start a mutual collaboration.

Understanding of the special role that the mechanism of social partnership has within the European Union is vital to review the strategy of social partnership through Europeanization of the existing system:

- Shift from formal approach and participation to establishment of an effective mechanism and participation of all interested partners;
- Assessment of existing social problems in the labour field of the Republic of Moldova based on European standards, as well as through objective evaluation of difficult situation created on the labour market in the country.

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