



Evaluation Summary



International
Labour
Office

Evaluation Unit

Consolidating the Legal and Institutional Foundations of Social Dialogue in the Countries of Western Balkans and Moldova

Quick Facts

Countries: *Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Moldova, Montenegro, Serbia*

Final Evaluation: *November 2011*

Mode of Evaluation: *independent*

Technical Area: *Social Dialogue*

Evaluation Management: *DWT/CO Budapest*

Evaluation Team: *Ms. Donata Maccelli*

Project Start: *1 February 2008*

Project End: *31 December 2011*

Project Code: *RER/07/08/AUT*

Donor: *Austrian Development Agency (\$1,960,640.04 US\$)*

Keywords: *Social dialogue; social partnership; collective agreements*

Background & Context

Summary of the project purpose, logic and structure

The overall objective of the project was to contribute to the enhancement of governance in the Western Balkan countries and Moldova, through the strengthening of social dialogue institutions and the enhancement of the capacity of tripartite actors. The specific objective of the project was to consolidate the institutional and legal foundations of social

dialogue and to promote an effective culture of social dialogue.

The strategy chosen to achieve these goals was a correct and effective combination of national and subregional activities linking capacity building, advocacy and technical and legal advice to accompanying measures to be taken by tripartite constituents themselves in the target countries.

The background analysis contained in the project proposal correctly identified the two main problems hindering social dialogue in targeted countries:

- Weaknesses in tripartite policy dialogue between government representatives and employers' and workers' organisations; and
- Weaknesses at the level of bipartite social dialogue and collective bargaining between employers and workers and their organisations.

Based on these conclusions, the key areas of intervention of the project focused respectively on:

- For the first issue, strengthening the role and functioning of Economic and Social Councils and similar tripartite institutions and enhancing the capacities of tripartite actors in relation to social dialogue;
- For the second issue, advocacy and technical advice to create alternative systems for the peaceful settlement of

labour disputes, as well as enhancement of the skills of workers and employers in negotiating techniques and procedures and the improvement of their organisational capacities.

The ILO implementation strategy to meet these challenges consisted of a 'holistic approach', where social dialogue is developed through a gradual process of learning and confidence building. Work with the employers' organizations (EOs) mainly aimed at improving services, in order to attract and retain members. Focus was given to role and functions of effective employers' organizations; negotiation and collective bargaining skills; outreach; flexibility to address the changing circumstances surrounding the EOs. The economic and financial crisis moved the focus of EOs from sectoral collective bargaining to job-retention in sustainable enterprises. The EO component seems in general to have produced more concrete outputs, such as manuals, handbooks and other material of practical use which has been positively valued by all EOs interviewed during the field missions. As regarding the trade unions (TUs), analysis of the existing branch agreements and capacity building for enhancement of negotiating skills have been the focus of activities. Social dialogue is in many countries perceived by local TUs as a valuable tool to mitigate crisis effects.

The management of the project was placed at two levels: i) ILO level, with responsibility on the Social Dialogue Team in Budapest under the supervision of ILO DWT-CO Director and with participation of the DWT-CO Financial and Programming Unit with regards to financial and administrative tasks, ii) national level with Project Advisory Committees in each targeted country. In ILO DWT-CO, tasks were carried out by three senior specialists on Social Dialogue, Employers' Activities and Workers' Activities.

Purpose, scope and clients of the evaluation

This evaluation purpose and primary use is to provide the decision-makers in the

Governments and social partners' organizations of targeted countries, the relevant departments of the ILO and the wider public with sufficient information to make an overall independent assessment about the past performance of the project. Particular attention is paid to the effectiveness, relevance and sustainability of the project actions against its objectives. This contributes to identify key lessons and to propose practical recommendations for potential follow-up actions.

The present evaluation exercise covers the six countries where the project has carried out its activities during the overall period of project implementation.

Methodology of evaluation

The method used in this evaluation is an analysis of a mix of documentation (project documentation, background studies and country analysis, data on labour etc.) and information collected at the meetings with stakeholders. Stakeholders interviewed included donor, implementing agency, country ILO representatives, and country level project stakeholders. Minimal limitations are linked to unavailability of beneficiaries and stakeholders working at the project or benefiting from project activities.

Main Findings & Conclusions

Relevance: The project has been relevant. At strategic level, it has contributed to increasing awareness on benefits of social dialogue in a democratic society. The project was in line with national priorities determined by the EU accession or neighbourhood requirements. The economic and financial crisis which started in 2008 found an adequate response from the project, which was able to adapt activities to the new needs of stakeholders.

Effectiveness: Seminars, workshops and capacity building activities – including advocacy to raise awareness on social dialogue with the government of targeted countries – have proven to be timely and useful. The project has offered support to key legislation on labour relations and other labour related

issues. It has improved operational capacities of all stakeholders, on the basis of consensus and demand driven approaches. Effectiveness problems are mostly related to the challenging political and economic background of most countries.

Efficiency: The ILO correctly made use as much as possible of its rich internal expertise. A substantial contribution was provided in this respect by the experience and skills of three senior specialists from the ILO DWT-CO Budapest. Complementarity with other ongoing activities in the sector was fully ensured in the designing phase.

Impact: Work done in the field of peaceful settlement of labour disputes has positively impacted on the countries. Work done on labour related legislation has had an undoubted impact on the legislative framework of targeted countries. In other cases, difficult political and administrative settings (BiH), early phase of transition to an open market economy and a democratic system (Moldova), persistence of conflicting stances among stakeholders (Serbia), politicisation of social dialogue (Albania, FYRoM) delayed the dialogue process and prevented from taking maximum advantage of project ideas and contents.

Sustainability: The project has contributed to the enhancement and improvement of several labour laws. However, implementation is still an issue in many countries. Commitment to reforms and to social dialogue by Governments has to be strengthened in most cases. Tripartite dialogue institutions need further work, related in particular to mandate, respect of councils' recommendations, involvement of councils in all labour related legislative work, as well as staffing and budgeting matters.

Recommendations & Lessons Learned

Main recommendations and follow-up

The evaluation has identified four key areas for recommendations:

Key Area 1: Strengthen project design

Introduce objectively measureable indicators (OVIs) in the project documents.

Key Area 2: Streamline project management

Focus on single country approaches; target country instead of subregional level; focus on pending issues in each country and develop a realistic work plan where only feasible objectives are stated.

Key Area 3: Streamline human resources consolidate capacity building activities:

- a) Appropriate training and capacity building material should be prepared and made easily available to beneficiaries.
- b) Training of Trainers activities should ascertain that trainers are utilised in future initiatives. A shift from theoretical traditional methods to more practical on-the-job training might also be needed.
- c) Material prepared for capacity building activities should be carefully evaluated in order to ascertain that it is suitable for immediate and practical use and integration into existing training programmes of countries' state institutions.

Key Area 4: Focus on long-term approaches (impact, sustainability)

- a) Strengthen coordination with other projects and donor community; develop and encourage joint activities when appropriate and effective. Avoid potential overlapping. Focus on EU Accession or Neighbourhood process. Encourage transfer and sharing of best practices among different projects, both ILO and non-ILO, including those funded by other donors.
- b) Disseminate best practices in all targeted countries: Implement in all targeted countries the activities or outputs, which proved to be particularly successful.

Important lessons learned

1. The project has been designed and implemented in a participatory way, in close consultation with local stakeholders. This has

contributed to create ownership and respond to countries' demands and needs.

2. Work on legislation, especially related to representativity criteria and establishment of tripartite and bipartite institutions, was key to enabling the countries to align with international best practices.

3. Work with TUs and EOs was useful, but it was not possible to address all the needs and cover all the issues during the life span of the project. This work needs to be further carried out to fully enable these social partners to correctly fulfil their mandates and satisfy their constituencies. More joint activities for TUs and EOs would have probably contributed to strengthening mutual understanding and dialogue.

Good Practices

The development of practical guides, manuals and handbooks (especially for EOs) has contributed to increasing the practical value of outputs and to consolidate information provided. Some activities, such as the development of campaigns to address specific issues (such as the TV campaign to fight informal economy in Montenegro) encountered the favour of beneficiaries and contributed to raising awareness among the public. Such initiatives should be disseminated in all targeted countries.