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ECONOMIC AND SOCIAL COUNCILS

Information Kit



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SOCIAL POLICY

At the World Summit for Social Development (Copenhagen, 6-12 March 1995), Governments arrived at a new consensus on the need to put people at the centre of development. This was followed by a series of global commitments to people-centered development that were reinforced at the 2000 Millennium Summit, with the adoption of the Millennium Development Goals (MDGs). These instruments pledged to make the eradication of poverty, full employment and social integration overriding objectives of development. They committed countries to pursue inclusive development patterns aimed at ensuring that all social groups would benefit from the creation of wealth and be integrated into mainstream society.

Across the Arab region, economic development alone has not guaranteed the social outcomes envisaged at the world summits. Large disparities in social indicators persist. Basic social services such as education and health are unevenly distributed and inadequate, and many countries in the region are set to have difficulty in achieving MDGs. The sole reliance on economic growth as the main engine of change – from which social benefits were expected to ‘trickle down’ – has so far failed to redress problems of inequality, poverty and exclusion in the Arab region. This ‘growth first’ approach places the emphasis on dealing with symptoms of social inequity rather than on the fundamental causes of marginalization. It treats social changes as a secondary outcome of economic development, which has actually led to more social problems in a number of countries.

In line with the world summits, the approach of the Economic and Social Commission for Western Asia (ESCWA) to integrated social policy seeks to bring people into the centre stage of policymaking and include their needs and voices into the development process. An integrated social policy is one in which social issues are not viewed as residual or secondary to economic processes; rather, it encapsulates one where public policy is informed at every stage by social equity and human-rights concerns.

Social policy analysis, consensus building, monitoring and oversight are important elements of an integrated social policy. Specifically, they promote trust in Government and cement the social contract between Government and the people. Moreover, Governments are empowered in terms of withstanding competing interests and pressures from within or outside the country when they institute mechanisms and programmes that undertake social policy research and analysis, monitor trends, track impact and provide institutional space for the participation of citizens in decision-making that affects their lives.

Social observatories and economic and social councils can be models of effective institutional structures that promote integrated social policy. By providing socially-informed, evidence-based research and analysis, and by securing an institutional space for dialogue between different constituents and policymakers, these institutional mechanisms can inform policies and programmes aimed at promoting inclusive, equitable and sustainable development.

introduction

All social groups need to be given the opportunity to participate in and benefit equitably from the creation of wealth and economic prosperity. Social dialogue allows social groups to be represented, brings the voices of citizens to the attention of policymakers and fosters the emergence of a consensus, which in turn is constantly negotiated, debated and ultimately shared by the different constituencies and interest groups. According to a recent publication by the International Labour Organization (ILO), social dialogue is a valuable “process in seeking solutions to social and other kinds of problems within nations through consultation and negotiation by the involvement of the widest possible range of interested parties”.¹ It ensures that the interests of various social groups can be negotiated in order to avoid conflict and promote equity and social policy. Moreover, this social dialogue is most effective when it is structured and institutionalized, thereby creating a formal space for the interaction of various social and interest groups. In addition to ensuring a wide representation, this provides legitimacy and validation to Government policies.

Within the context of checking Government policies through the representation of diverse interest groups, a variety of instruments exist, including municipal forums, public hearings and an active civil society or media. These represent important elements of citizen engagement. Equally, economic and social councils (ESCs) can be a particularly effective institutional mechanism for debate and consensus-building. By virtue of their high-level nature and participatory structure, ESCs can act as a space for social dialogue and as a check against public policy.

¹ International Labour Organization (ILO). “Social Dialogue and Tripartism Prerequisites for Economic and Social Development” (ILO, 2018).

Economic and Social Councils (ESCs)

In a little over a decade since the World Social Summit of 1995, there has been growing interest by Governments in both the developed and developing worlds in the role of economic and social councils as instruments of social partnership, advising Governments on inclusive and equitable public policies.

ESCs are organizational bodies that strengthen dialogue between citizens and policymakers, identify and monitor social outcomes, and help in terms of enhancing the accountability of Governments.

These councils are high-level consultative bodies of public interest that are typically authorized by Governments and that report to higher authorities, including, among others, the presidency and parliament. While not necessarily attached to the Government, ESCs represent the legitimate interests of a range of constituencies aimed at encouraging social dialogue and at following up on the implementation of social and economic policies in order to reduce poverty, improve social justice and equity, and promote the principles of human development.² In doing so, they assess the social impact of public policies, check their adverse outcomes and provide alternative proposals for the achievement of employment-generating economic growth and social justice. In addition, they act as a regulatory mechanism and provide a platform for checks and balances.

"The ESC should not be just another voice of government, rubber stamping decisions, but at the same time it should not be used as tool to promote political agendas and a stick to beat government"

John Sweeney, Irish ESC

At national level, ESCs report to the main policy bodies and are usually established as advisory bodies that represent a range of social interests, including business associations, labour and trade unions, non-governmental organizations (NGOs) and other social groupings. As respected voices of the diverse constituencies within society, ESCs aim to assess the social impact of public policies and offer proposals for economic growth and social justice. Moreover, ESCs provide a voice for the principal actors in the economy. Rather than just a token voice, this represents a space for these actors to articulate, absorb and respond to relevant issues, and to work together in order to solve problems. In some cases, the work of these councils is used to negotiate national partnership agreements and achieve consensus among different constituents.

"We are interested in a round-table discussion of prominent people from these organizations with freedom to explore and deliberate policy change and its implications".

John Sweeney, Irish ESC

Several successful models of economic and social councils have emerged in Europe and Latin America. These councils seek to understand the social implications of public policy, create partnerships with civil society and major socio-economic groups, and serve the public interest of the majority of citizens. In the Arab region, the Economic and Social Council (CES) in Tunisia stands out as an example of a successful ESC, which serves as a prominent advisory body to the Government and Parliament and plays an important role in fostering dialogue between different constituencies on major economic and social issues.

It is important to note that ESCs cannot work alone on economic and social analysis. There are many national partners, including parliament, civil society and the private sector, whose perspectives are very important and who can also be used as instruments to check social policy and promote social dialogue.

This information booklet draws on the experiences of a range of institutions from across the world in the design and set-up of ESCs. By reviewing different models of ESCs it aims to highlight lessons and options, and seeks to encourage consideration of the benefits of such institutional bodies in the ESCWA region.



Selected Comparative Data on Economic and Social Councils



Ireland

NAME

National Economic and Social Council (NESC)

HISTORY

Established in 1973 as an advisory body to the Government on the development of a national economy and the achievement of social justice. It was reshaped in the 1980s against a backdrop of economic stagnation, rising taxes and exploding debt.

MEMBERSHIP

Thirty-two members nominated by each of the following sectors:

- A chairperson appointed by the Government
- Five members nominated by agricultural and farming organizations
- Five members nominated by business and employers' organizations
- Five members nominated by the Irish Congress of Trade Unions
- Five members nominated by community and voluntary organizations
- Ten members nominated by the Government from the Departments of Finance, Enterprise, Trade and Employment, Public Enterprise, Social Community and Family Affairs, and a representative of the Local Government system.

The Council is chaired by the Secretary General of the Department of the Prime Minister and is run by a small secretariat of 7 staff (4 substantive and 3 administrative).

FINANCING

Government, through a grant-in-aid which is part of the overall budget of the Office of the Prime Minister



OPERATION

- Economic and social analysts in the Council secretariat prepare strategy reports every three years on the economic and social conditions in Ireland
- The Council proposes strategies related to economic development and the achievement of social justice
- Another focus of the Council's work is on the nature of partnership and the development of a strategic framework for the conduct of relations and the negotiation of agreements between the Government and the social partners
- The reports by the Council are published and presented to each House of Parliament where answerability often lies with Parliament
- The reports and strategies recommended by NESC also have a direct influence on the Social Policy Unit, located under the Department of the Prime Minister
- The strategy of the SPU draws heavily on the reports and recommendations laid out in the reports published by NESC. For example, its current social agenda draws on the NESC report, entitled "The Developmental Welfare State", as well as the social issues identified and lifecycle approach adopted in the current social partnership agreement "Towards 2016"

OUTPUTS AND IMPACT

- Since 1987, NESC has played a core role in Ireland's economic and social success. It has undertaken a three-yearly overview of economic and social development and challenges. These overviews provide the analytical basis for negotiation of Ireland's social partnership programmes, otherwise known as National Partnership Agreements
- Their research and partnerships have ensured that all public policies are inclusive and promote social integration
- Its work on social exclusion and unemployment in the early 1990s has had a particular impact
- It was a proposal from the Council, in 1990, that led to the area-based approach to long-term unemployment and social exclusion, an area in which Ireland is a recognized leader



France

NAME

Economic and Social Council
Conseil Economique et Social (CES)

HISTORY

Established under articles 69-71 of the 1958 French Constitution as a constitutional assembly independent of both the Executive and Parliament. It is both representative, comprising nationwide representatives of socio-economic groups, and advisory to the Government.

MEMBERSHIP

A total of 231 members, including 163 designated by the organization they belong to and 68 appointed by the Government:

- Sixty-nine members represent trade unions from both the private and public sectors
- Sixty-five members represent socio-economic groups from private enterprises, industry, trade, arts and crafts, agriculture and professionals
- Nineteen members represent cooperatives and mutual benefit societies
- Ten members represent family associations
- Seventeen members are appointed by the Government to represent State-owned companies, community groups and French expatriates
- Eleven members are appointed to represent overseas territories
- Forty experts are appointed by the Council of Ministers.

The Council members are divided into 18 groups to reflect their work affiliation. The Council has a Board, a secretariat and nine departments.

FINANCING

Government



OPERATION

- The Council's activities centre on the nine Departments, namely: Social Affairs, Labour, Regional Development and Town and Country Planning, Living Environment, Finance, External Affairs, Production, Research and Technology, Food and Agriculture, and Economic Affairs
- They are mandated to examine questions, produce reports, recommendations and studies as requested by the Board
- The Departments usually meet once or twice a week and a rapporteur is appointed by the Department to draft a report and submit it at the Council's plenary session
- All members of the Council attend bi-monthly plenary sessions, during which one or two draft recommendations and other issues are discussed and negotiated
- Copies of the agenda and any documents are sent to the President, Prime Minister, heads of the Senate and National Assembly, and ministers are informed of reports that concern them

OUTPUTS AND IMPACT

- The Council prepares some 20 reports, recommendations and studies every year. These outputs, which are published in the official journals, relay to the Government the freely-expressed positions of socio-economic groups and the main points on which they either concur or disagree
- Where Government has consulted the Council on a matter, the Council's report is presented to Parliament in a plenary meeting and to the Senate in a hearing followed by a debate
- The Council is expected to issue a recommendation on the national economy twice a year
- While the Council's recommendations are not binding, the Government is required to inform the Council of its follow-up to the recommendations made



Tunisia

NAME

Economic and Social Council
Conseil Economique et Social (CES)

HISTORY

Called for under the Constitution, CES was established in 1961, initially as a consensus-building advisory body made up of trade union representatives and employers' organizations. Its prominence and importance were consolidated by law in 1988 and again in 2006 when its membership was enlarged to include a variety of constituents, and its mandate expanded.

MEMBERSHIP

A total of 118 members representing five constituencies:

- The president of the council nominated by the Prime Minister
- Twenty-six members representing labour organizations
- Twenty members representing civil society organizations, professional and private sector groups
- Twenty-four members representing local government representatives for each of the governorates
- Eighteen members representing public administrations and institutions
- Thirty experts of various specializations.

The Council is composed of the Executive Office and of Five Working Groups, each with a socio-economic focus.

FINANCING

Government, through the Office of the Prime Minister



OPERATION

- The Council meets upon the request of the president or upon the request of half of its members
- The executive office of the Council coordinates the work of the five working groups and distributes the public policy issues for discussion to each group according to the sectoral focus of the group
- Each working group is headed by a council member and works on a specific set of sectoral issues and challenges, such as the economy, rural development, health, education and international cooperation
- The general assembly of the Council meets to review the recommendations and views of the working groups in order to produce a report to be submitted to the Tunisian President, the Prime Minister, the Parliament Speaker, and the Head of the Chamber of Councillors

OUTPUTS AND IMPACT

- CES is an important conduit for dialogue between different constituencies in the country on economic and social issues of concern
- Since 1970, CES has issued mandatory opinions on draft laws and decrees regulating economic and social development, including the national economic and social development plan, progress reports on the implementation of the national plan, and the national budget
- The Council can also review any official document or initiative with economic or social importance for the country and provide recommendations and opinions on matters of national concern



South Africa

NAME

National Economic Development and Labour Council (NEDLAC)

HISTORY

Established in 1994, NEDLAC is autonomous of the Department of Labour and works closely with other departments (mainly, Departments of Trade and Industry, Finance, Public Works) to create a more inclusive national economic decision-making process and social equity. It does this by promoting dialogue and enhancing members' knowledge, thereby enabling them to coordinate strategies towards economic development and social equity.

MEMBERSHIP

Seventy-two members with four constituencies (business, labour, Government and community) with an overall convener for each constituency:

- Eighteen from the Ministries of Labour and Trade and Industry
- Eighteen from the Business Unity South Africa
- Eighteen from labour unions
- Eighteen from the community represented by different organizations, including the South African Youth Council, Women National Coalition and the Disabled People South Africa.

The Council is composed of the Executive Council, the Management Committee and the four Chambers (Labour Market, Public Finance and Monetary Policy, Trade and Industry, and Development). It also has a secretariat composed of 19 members.

FINANCING

Government - through public funds



OPERATION

- The Council is led by an Executive Council that meets four times a year
- An annual summit is held to review work and discuss the forthcoming work programme
- The work of NEDLAC is divided into four chambers that address different dimensions of social and economic policy, namely: Chambers of Labour Market, Trade and Industry, Development and Public Finance and Monetary Policy
- The Chambers report to a management committee that oversees the work programme and administrative issues
- Sub-committees and task groups are set up to deal with specific issues within each respective Chamber
- The Chambers are a key forum to discuss and coordinate constituencies' responses to and positions on legislation and white papers proposed by Government as part of the public consultation process
- There is also a research arm that enhances the knowledge and capacity of its members through project-based research, a seminar series and occasional papers, studies and bulletins

OUTPUTS AND IMPACT

- The Chambers of the Council review draft legislations proposed by Government at the last preparatory phase before they are presented to Parliament
- The Chambers then prepare a report suggesting amendments which are taken into account in the final draft presented to Parliament
- The Chambers also negotiate and prepare sector agreements, guidelines and codes of good practice, including, for example, the Code of Good Practice on HIV/AIDS in the Workplace
- They also coordinate sector summits that bring relevant actors together with the constituencies for sector-wide agreements
- The research arm of the Council produces reports and guidelines for its members that address issues of affordable access to ICT, ensuring equal access to basic financial services, development of sustainable institutions to serve poor communities, inequalities in the labour market and social equity

Issues to consider in the ESCWA region

A review of the experiences of ESCs across the world reveals a number of relevant questions that need to be considered before the establishment of such councils. The answers to some of these questions can clarify the make-up and benefits of this social policy mechanism.

Governmental or independent?

Most ESCs enjoy inbuilt independence in a legal context, in addition to organizational and functional autonomy.

- Most ESCs are called for either under the constitution, as in the case of France, Spain and Tunisia, or they are established by law, as in the case of Brazil, Ireland and the Netherlands.
- The council in Ireland maintains a large degree of autonomy, regulating its own procedures and acting both at the request of Government and on its own initiative.
- As advisory bodies, ESCs can act on their own initiative or at the request of Government. In Ireland, the council is considered a public body but not an arm of government. In Spain and Tunisia, ESCs are considered Government advisory bodies. In France, the council is considered independent of both the executive and the legislative branches of Government.



- To what degree should the council be functionally and legally autonomous from Government?
- What kind of institutional and legal framework should be put in place?
- What laws govern the establishment of ESCs?
- Should the council be an independent or advisory body to Government?
- Should the council be able to act on its own initiative or should it be bound to Government demand?
- Which body of Government should the council report to? Where should the council be housed?

Funding

The majority of ESCs under review received funding from their respective Governments.

- The ESCs in Ireland and Tunisia are financed by the Office of the Prime Minister.
- The council in Spain is financed through public funds allocated to it in the national budget, not tied to the Office of the Prime Minister.
- A notable exception to this model is the Netherlands Council (SER), which is financially independent of the Government, and whose annual budget is funded by industry through a mandatory tax imposed by the Dutch Chamber of Commerce.



- What are the possible sources of financing? Should the council be funded by the Government or independently? What are the tradeoffs in each case?
- If publicly financed, should the funds come from the central national budget or a ministerial budget?
- What checks can be put in place to maintain functional autonomy?



Membership

There is a wide variety in the membership and composition of the different ESCs under review.

- Some ESCs have a relatively small membership, including the 32 members of the council in Ireland, while others are much larger, such as the 231 members of the French counterpart. There are tradeoffs for both types. For instance, having a small number of members can allow for more versatility and allow members to engage in dialogue more easily. On the other hand, having a large membership ensures greater representation and ensures the inclusion of many different views from different backgrounds.
- The composition of ESCs also varies considerably from one country to another. In all the models reviewed, employers' interest groups and trade unions were represented, usually in proportion to their membership and numbers in the country. In the Irish model, a broad spectrum of stakeholders are also represented on the council, and include representatives of trade unions, employers, farmers' organizations, NGOs, key government departments and independent experts. In South Africa, the council members represent business, labour, Government and community. With its 231 members, the council in France intends to represent all walks of socio-economic life.



- Should the council seek to be large and inclusive, as in the French model, or smaller and more focused, as in the Irish model?
- How should membership in the council be determined? What constituents should be represented?
- How should seats be allocated and divided among the range of social entities and interests, including public and private bodies – both nationally and community-based?
- Should members be elected or nominated, and if nominated, by whom?
- How long should membership be? And what kind of consideration should be made to ensure institutional memory?



Operation

The internal organizational structure and mode of operation of each council under review varies.

- Most councils meet regularly. In Ireland and the Netherlands, the councils meet once a month; in France, the CES meets bi-monthly; and in South Africa, it convenes four times a year in plenary sessions.
- Most ESCs have committees, departments or chambers working on specific sectoral issues and themes. These committees usually meet regularly, up to twice a week, and are tasked with preparing advisory reports and issuing recommendations or comments on Government policy either on a mandatory or optional basis.
- In order to support the day-to-day management of ESCs, most countries have put in place a small secretariat that provides some research and administrative support to council members.



- How frequently should the full council meet?
- How should the council be organized? Should it have separate departments working on specific thematic issues? How frequently should these units meet?
- How should thematic priorities be decided?
- Should advisory reports be generated regularly or on an ad hoc basis?
- What kind of support structure or secretariat would the council require?
- What kind of linkages should be established with research institutes and observatories? How should work coordinate with other public or private research bodies, including ministries, parliamentary committees, independent think-tanks and academic institutions?

Outputs and impact

While it is difficult to assess the precise impact of the councils under review, there is nonetheless evidence to suggest the influence of ESCs on shared consensus and public policy.

- While the recommendations of the councils under review are not binding on their respective Governments, they often hold significant moral authority. They are a reflection of broad consultation and agreement among a wide spectrum of interests and groups. As such, they influence Government policy, parliament and public opinion.
- In Ireland, the reports and strategies recommended by the council often have a direct influence on the Social Policy Unit, located in the Prime Minister's Office; while in the Netherlands, the SER's reports are often used by parliament in its debates with the Government.
- In most countries, including France, Ireland and the Netherlands, if the Government decides to act against the recommendation of the council, it must officially inform the council of the reasons and the follow-up.



- Should the mandate of the council be reactive, responding and reacting to Government proposals and laws? Or should it rather be proactive in preparing regular reports and recommendations on its own research agenda? Or should it be a combination of both?
- Should the Government be bound to review and consider the recommendations of the council?
- If recommendations from ESCs are not binding, how can they be reinforced to hold moral authority and political weight?

Suggested Starting Points for Setting up an Economic and Social Council

- **Form a national steering group** that will set the process and modalities for designing a council.
- **Conduct consultations** (meetings, seminars, workshops) among policy makers, local authorities, professional associations, representatives of non-governmental and civil organizations in order to:
 - Bring policymakers, practising professionals and civil society together;
 - Establish national priority needs and identify issues of national policy that are in need of dialogue and representation;
 - Consider among other issues the questions presented in this kit.
- **Assess capacity** of Government and other national entities that can take the lead in establishing and maintaining an Economic and Social Council and the financial implications.



More information on economic and social councils is available at:

International

- International Association of Social and Economic Councils and Comparable Institutes
<http://www.aicesis.org/>

Regional

- European Economic and Social Committee (European Union)
<http://www.esc.eu.int/>

National

• Spain

- Council or Consejo Economico y Social (CES)
<http://www.ces.es/index.jsp>

• Netherlands

- Sociaal-Economische Raad (SER)
<http://www.ser.nl/>

• Belgium

- 'Belgian House of the Social Partners'
 1. Central Council for the Economy
<http://www.ccecrb.fgov.be/home.asp>
 2. National Labour Council
<http://www.cnt-nar.be/>

• Brazil

- Economic and Social Council of Brazil (CEDES)
<http://www.cdes.gov.br/>

• Canada

- Canadian Council on Social Development
<http://www.ccsd.ca/>

• Finland

- Economic Council under Prime Minister's Office
<http://www.vnk.fi/etusivu/en.jsp>

• Korea

- Korea Tripartite Commission
<http://www.lmg.go.kr/>

• Lebanon

- Economic and Social Council
<http://www.ces.gov.lb/>

• Mauritius

- National Economic and Social Council
<http://www.nesc-mauritius.org/>

• Thailand

- National Economic and Social Advisory Council
<http://www2.nesac.go.th/english/>