

## Sida's Approach and Support to Social Dialogue

Productive employment and decent work are keys to inclusive and sustainable economic development and poverty reduction. Support for social dialogue is one of several means to this end, and part of Sida's broad and varied approach to employment. In recent years social dialogue has become increasingly recognised on the international agenda. Sida's support suggests a role for social dialogue in development cooperation and offers examples of what this may imply in practice.

Social dialogue refers to collaboration between actors in the labour market – typically employers, employees and their organisations – as well as between them and the government. It can be used as a means for agreement on matters of common concern, but also for peaceful settlement of matters of contention and conflict management. It is defined by the ILO as follows:

### Social Dialogue – The ILO Definition

Social dialogue is defined by the 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.

For employees social dialogue offers an opportunity to exercise their right to collective bargaining for better working conditions, higher wages etc. Employers may see it as a long-term investment for increased productivity as well as for stability and peace in the labour market. Both parties may see it as an opportunity to influence for example government labour laws and other policies shaping conditions in the labour market.

Sweden has a long history of social dialogue, which established rules of the game in the labour market that

specify the roles and responsibilities of labour-market partners versus the government. Recognition of the social benefits of social dialogue has encouraged development of the Global Deal – an initiative to promote social dialogue internationally. It was launched by the Swedish Government together with the ILO and the OECD in September 2016. By March 2017 the partnership had been signed by more than 30 partners – governments, trade unions, large companies and other organisations.

### The Global Deal

'The Global Deal is a global initiative with the objective of jointly addressing the challenges in the global labour market and enabling all people to benefit from globalisation. The Global Deal is a multi-stakeholder partnership that aims to encourage governments, businesses, unions and other organisations to make commitments to enhance social dialogue... The Global Deal offers a win-win-win opportunity.' ([www.the-globaldeal.com](http://www.the-globaldeal.com))

The Global Deal seeks to contribute to the Global Goals for Sustainable Development of the 2030 Agenda, in particular Goal 8 – to 'promote inclusive and sustainable economic growth, employment and decent work for all' – but also other goals, including Goal 10, to 'reduce inequality within and among countries'. It is not a particular development initiative – addressing developing countries or being applied within development cooperation in particular – but welcomes parties from all countries world-wide to participate. Nonetheless, social dialogue is supported and used within development cooperation. What is its role in Swedish development cooperation?

### SOCIAL DIALOGUE IN SWEDISH DEVELOPMENT COOPERATION

The overall goal of Swedish development cooperation is to create conditions for better living conditions for people who live in poverty and oppression. One of the thematic areas in the government Policy Framework for Swedish Development Cooperation and Humanitarian Assistance,

adopted in December 2016, is Inclusive Economic Development. Its sub-section on Productive Employment with Decent Working Conditions and Sustainable Business states that Sweden shall, among other things, promote inclusive growth in accordance with the ILO Decent Work-agenda and social dialogue in line with the concept the Global Deal.

### Pillars of the ILO Decent-Work Agenda

- Employment creation
- Rights at work
- Social protection
- Social dialogue

Support for social dialogue is not new to Swedish development policy or to Sida practice, but the new policy framework highlights its links to both the Global Deal initiative and the ILO Decent Work-agenda.

### SOCIAL DIALOGUE IS PART OF SIDA'S BROAD APPROACH TO EMPLOYMENT

Productive employment and decent work are keys to inclusive and sustainable economic development and to poverty reduction. Support for social dialogue forms part of Sida's approach to employment. As for all development cooperation, poor peoples' perspectives on development and the rights perspective are the points of departure. Poverty is seen as multidimensional. Gender equality, environment-and-climate and conflict perspectives are integrated.

Sida's approach to employment is broad, combined and varied, carefully adapted to the specific and complex country context. It focuses on economic sectors and labour markets of relevance to many poor, in particular women and youth – with a growth potential, in order to generate productive employment for large groups of the working poor. To work for an income that can support one's family – to earn a living – is a fundamental human right.

The means are numerous, complementary and interrelated. Development of the local economy is often of high priority to increase employment opportunities. This includes the private business sector, notably small and medium-sized enterprises, inclusive markets and value chains, increased productivity and value addition, mostly within agriculture. This often needs to be complemented with various forms

of skills development to enhance the employability of the working poor, and with changing social norms to encourage women's economic empowerment. A better functioning labour market is also important, through matching people with employment opportunities and improved labour-market statistics and information. Social dialogue may also play a role, by smoothening labour market relations, particularly if they are ridden by conflict.

Sida's approach also includes support for improved working conditions and labour rights, beyond an income that makes a living. This includes the right to organise and to collective bargaining; to decent working hours and safety on the workplace; the rights of migrant labour and to protection against child and forced labour.

Social dialogue can be a method for jointly dealing with some of these issues between employees and employers, but also between labour-market partners and the government. From a development perspective social dialogue may also serve as a means to practice democratic governance at the grass-root levels. Hence, if also working conditions and incomes improve and social conflicts are reduced, social dialogue holds a potential to contribute to poverty reduction in multiple dimensions.

However, social dialogue is no panacea. It may not be possible – or even high priority – in all contexts. Besides, it is only one among several means and in many cases needs to be complemented with other measures.

### SIDA SUPPORT FOR SOCIAL DIALOGUE, LABOUR RIGHTS AND VOICE

With social dialogue on the political agenda Sida's work in this area has attracted increased attention. Upon request by the government, in 2016 Sida reviewed its support for three inter-related thematic areas: 1) social dialogue, 2) strengthening the right to organise and to collective bargaining for employee and employer organisations and 3) improved working conditions and voice for those employed in the informal economy – to which Sida added the formally employed. The right of employees to organise, to collective bargaining and to have their voices heard, also for the informally employed, are important conditions for meaningful social dialogue.

Sida's total support for the three inter-related areas is comprehensive. Table 1 shows that the estimated total Sida portfolio of on-going projects and programmes

## Social Dialogue in Development Cooperation

(contributions) was more than 2.2 billion SEK in March 2016. This amounts to approximately 12 percent of Sida's total portfolio of on-going contributions (December 2015).

**Table 1: Estimated Total Portfolio of Sida Contributions to Social Dialogue, Labour Rights & Working Conditions**

Region/	No. On-Going Projects	% of Tot. No.	Total Value (mill. SEK)	% of Total Value
Global	16	40	1 458	66
Africa	10	25	402	18
Asia, incl. MENA	11	28	302	14
Europe & Latin Am.	3	7	56	2
<b>Total</b>	<b>40</b>	<b>100</b>	<b>2 218</b>	<b>100</b>

What does social dialogue within development cooperation mean in practice?

### EXAMPLES OF SIDA SUPPORT FOR SOCIAL DIALOGUE AT DIFFERENT LEVELS

At a global level, Sida provides support to organisations who in their turn promote social dialogue and related issues at both international and national level.

The ILO is itself a tripartite organisation that embodies the notion of social dialogue, and a central global actor and partner, to Sida as well as actors in many countries. In addition to specific programmes, Sida provides core support to the ILO and its broad Decent-Work agenda, which includes support for social dialogue as one of its main four pillars (see above). Sida has supported the ILO for several decades. The on-going **Sida-ILO Partnership Programme 2014-2017** amounts to 165 million SEK.

Important support is provided to Swedish civil-society organisations – several of which have framework agreements with Sida – who work at international level as well as in many developing countries. Many support the development of civil society, including the organisation of labour and trade unions, to promote democracy and human rights. The organisations that dominate Sida support for social dialogue, labour rights and working conditions are **Union to Union (U2U)** – the Swedish trade unions' development-cooperation wing – and **Olof Palme International Centre (OPC)**. Together, U2U and OPC account for almost half of the global portfolio (45%) and one third of the total portfolio (29%) of Sida contributions to the three areas in Table 1 above.

Most global organisations focus on the formal economy and the formally employed. An important exception supported by Sida is **WIEGO – Women in Informal Employment: Globalizing and Organizing**. This international organisation explicitly focusses on the working poor, in particular women, who are informally employed – both wage-employed and self-employed. The self-employed are a majority of the huge informal economy in in Sub-Saharan Africa, and constitute about half of the informal economy in other developing regions.

### WIEGO – Women in Informal Employment: Globalizing and Organizing

WIEGO strives for official acknowledgement of the informally employed as legitimate economic actors; for their voices to be heard; their rights to organise and to engage in social dialogue on major policy and regulatory issues that influence their lives and work. WIEGO works in two major ways:

- 1) By supporting and strengthening organisations for the working poor in the informal economy and by linking these organisations – locally, regionally and globally. WIEGO helps them to be represented and participate in fora and organs for decision making that matter for them, and to engage in collective bargaining with for example local authorities, national policy makers and not least the ILO.
- 2) By conducting research, improving and developing public statistics on informal employment and the informal economy, often in collaboration with the ILO and the World Bank.

Examples of Sida support for social dialogue in specific countries include a ten-year initiative in the **Ukraine** – a comprehensive effort 2004-2014 that now is completed. Through several phased projects it aimed at developing **structures and contents for social dialogue** between the social partners in the labour market and **models for the resolution of labour disputes**. The initiative involved collaboration of the Swedish trade-union confederations LO and TCO, the Confederation of Swedish Enterprise (Svenskt Näringsliv), the International Council of Swedish Industry (Näringslivets Internationella Råd, NIR) and the Swedish National Mediation Office (Medlingsinstitutet) among others. A similar initiative was implemented in **Colombia** during 2002-2012.

Since a few years back, Sida has supported a series of innovative initiatives in collaboration with the private sector. These are so-called **public-private development partnerships (PPDPs)** to promote **Industrial Relations** within the textile and garment sector in several countries

in Asia and Africa. Projects are co-funded by Sida and large global buyers of ready-made garments like Hennes & Mauritz (H&M). ILO acts as the project implementer and partners with the Swedish trade union IF Metall and global union federation IndustriALL, as well as country-level employees, employers and governments in these collaborations. Such PPDPs were launched in **Cambodia** (2014), **Ethiopia** (2015) and **Myanmar** (2016).

These programmes seek to strengthen industrial relations/ social dialogue so as to improve wages and other working conditions for workers and increase productivity and contribute to more stable labour markets for companies in the textile and garment sector. A similar initiative, with the same tripartite actors and implemented by the ILO, is the **Bangladesh Global Deal Project** 2015-2020.

Another recent initiative is an **International Training Programme** (ITP) on Productive Employment and Decent Work 2016-2022, implemented by the Swedish Public Employment Service (Arbetsförmedlingen) and a cluster of other Swedish actors. The programme aims to improve the functioning of the labour market in four countries in Africa: Ethiopia, Kenya, Mozambique and Tanzania; and two in Asia: Bangladesh and Cambodia. It will do so through the development of labour relations – social dialogue – and labour market information and forecasting.

To these examples should be added a number of Sida-supported initiatives, where **social dialogue is part of broader employment programmes**. This includes those that promote productive employment, decent work and trade implemented by the ILO, for example in Mozambique and globally, and women's economic empowerment in Turkey and Bangladesh. In addition, broad decent-work aspects are increasingly integrated into market-systems development. Several new initiatives are being explored, in different countries and regions.

Yet another initiative, which is also a regional programme supported by Sida, is the **Swedish Workplace HIV/AIDS Programme** (SWHAP) (current phase 2014-2018). It was initiated by NIR and IF Metall in 2004, first in South Africa and later in ten other countries in Sub-Saharan Africa, to prevent HIV/AIDS among the staff of Swedish-related companies. It gradually expanded its focus to workplace wellness more broadly as well as to include local suppliers. Today SWHAP works with 360 workplaces, reaching over 30,000 employees annually and with an average 60% having tested for HIV.

SWHAP uses social dialogue – based on partnerships between employers, employees and trade unions at company level – as a method for programme implementation. This approach has improved relationships at the workplaces, and created platforms and tools for dialogue and collaboration on issues beyond those initially intended. A positive side effect may be the fostering of a culture of dialogue and collaboration, building social trust.

### THE FUTURE AND SOME CHALLENGES

Sida support for and use of social dialogue as a method to contribute to the overall goals of Swedish development cooperation as well as the Global Goals will continue and be further developed. Given the wide variety of economic and social contexts in which Sida operates, the role and form of social dialogue will, however, depend on and be adapted to the specific and varying circumstances.

A particular challenge is to adapt support for social dialogue to the context of the least developed countries, in particular Sub-Saharan Africa. In many of these countries the economy is poorly developed and diversified, labour markets are characterised by low-productive agriculture and are dominated by informal employment, in particular self-employment. Hence the role and form of social dialogue may be rather different than in countries that have already initiated a process of industrialisation. Social dialogue may need to involve rather different groups – such as smallholder farmers and large buyers of crops; street vendors and local authorities – while support for other employment aspects, notably productive employment, are likely to play a more prominent role.

### SELECTED LINKS

**Global Deal:** [www.theglobaldeal.com](http://www.theglobaldeal.com)

**ILO Decent Work:** [www.ilo.org/global/topics/decent-work/lang-en/index.htm](http://www.ilo.org/global/topics/decent-work/lang-en/index.htm); **ILO Social Dialogue:** <http://www.ilo.org/ifpdial/areas-of-work/social-dialogue/lang-en/index.htm>

**Policy Framework for Swedish Development Cooperation:** [www.regeringen.se/4af25d/contentassets/daadbf4abc9410493522499c18a4995/policyramverk-for-svenskt-utvecklingssamarbete-och-humanitart-bistand.pdf](http://www.regeringen.se/4af25d/contentassets/daadbf4abc9410493522499c18a4995/policyramverk-for-svenskt-utvecklingssamarbete-och-humanitart-bistand.pdf)

**Global Goals:** [www.un.org/sustainabledevelopment/](http://www.un.org/sustainabledevelopment/)

**WIEGO:** [www.wiego.org/](http://www.wiego.org/)

**Sida Projects and Programmes:** <https://openaid.se/aid/>

**SWHAP:** <http://www.swhap.org/>