TUDCN-RSCD

Social dialogue as a driver and governance instrument for sustainable development

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SUMMARY

This issue paper sets out an initial framework for consideration and assessment of how social dialogue can contribute to sustainable development. The paper has its origins in observations by the International Labour Organisation (ILO) and the International Trade Union Confederation (ITUC) that social dialogue, one of the core features of the Decent Work Agenda, is not well known or understood within the development community, and that its potential to contribute to sustainable development and its governance has not been sufficiently realised. This is a paradox, as social dialogue has much to offer in terms of achieving the core principles of the Development Effectiveness Agenda and in contributing to the 2030 Agenda for Sustainable Development, as demonstrated by the international recognition of the central role of the Decent Work Agenda. By bringing together leading resources on the two themes, the paper briefly maps and summarises what is currently known about the rich relationship between social dialogue and sustainable development.

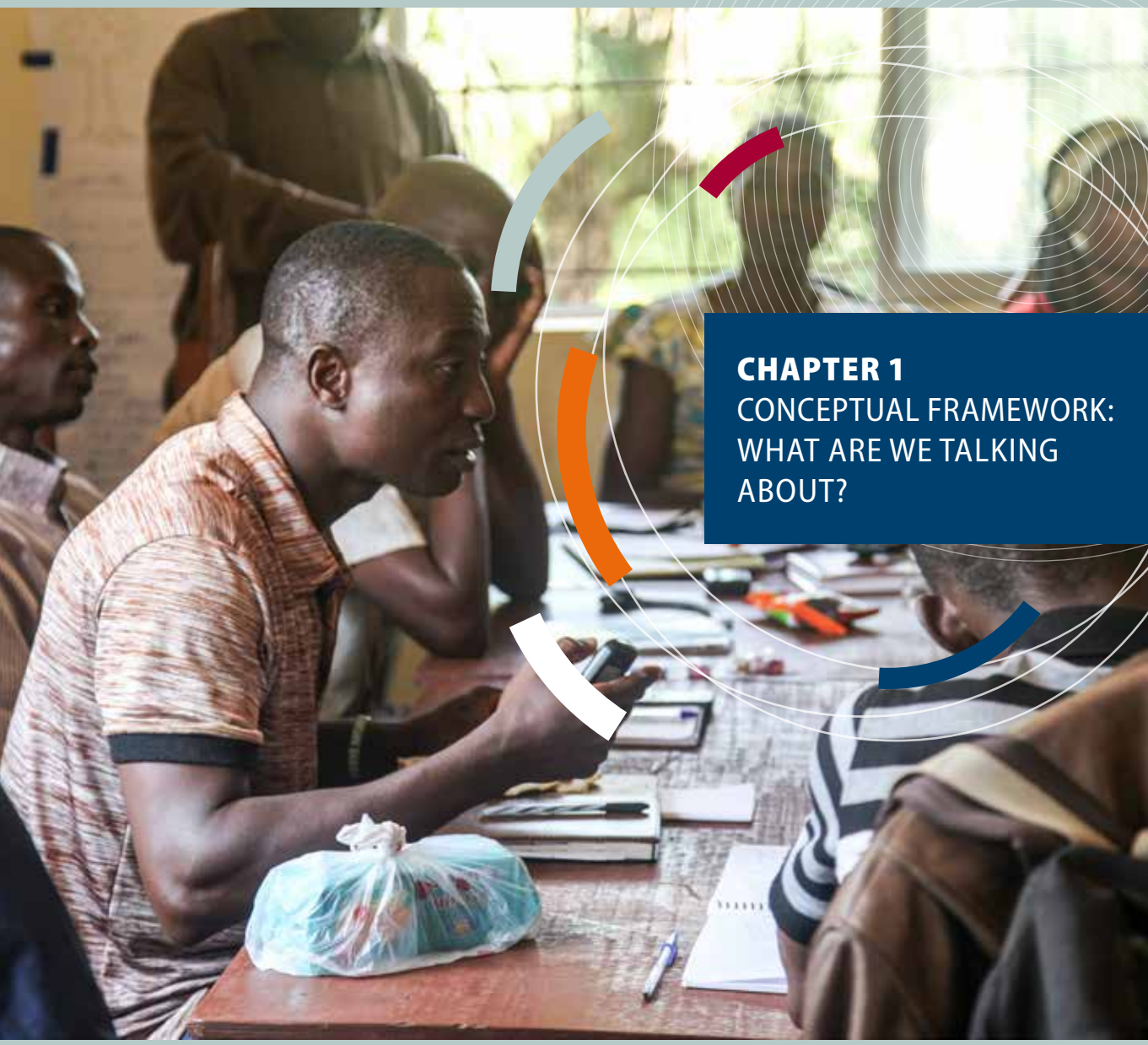
The paper argues that social dialogue is itself a form of governance that offers specific benefits for the achievement of sustainable development. These advantages are linked to the inclusive nature of the social dialogue process and the way in which interaction is organised within that process. At the same time, for social dialogue to have a positive effect on the achievement of sustainable development, an enabling environment is essential that is characterised by the will of the parties to engage in dialogue, with the State playing a supporting role.

Social dialogue is a well-established mechanism that is practiced intensively on a daily basis across the world and has been the topic of a growing number of studies worldwide. ILO figures indicate that 85 per cent of ILO member States have some type of tripartite framework and institutions. Some of the roles of social dialogue are well-tested and documented, especially in industrial relations in developed economies. This is much less the case for developing economies and fragile States, where the respective roles of the social partners are still emerging and little is known about the underpinning success factors and how these roles can be successfully nurtured. Moreover, the newer role of social dialogue in relation to the broader sustainable development agenda is less well understood and documented. The analysis in the present paper is used in Chapter 4 to advocate a new and ambitious research agenda to improve understanding of the many pathways through which social dialogue can make an optimum contribution to sustainable development.

Throughout the paper, illustrations are provided of how social dialogue can contribute to five key dimensions (thematic clusters) of sustainable development: (1) working conditions, workers' rights and equality at work; (2) access (to public services) and redistribution; (3) growth and innovation; (4) environment and climate; and (5) governance and participation. The paper concludes with a brief outline for future research.

It is also argued that well-executed social dialogue is in line with and reinforces three core principles of the Development Effectiveness Agenda (the Global Partnership for Effective Development Co-operation),[1] and particularly *democratic ownership, inclusiveness* and *accountability* (chapter 1.3).

1 Fourth High Level Forum on Aid Effectiveness, Nov – Dec, 2011, Busan, South-Korea. http://www.oecd.org/development/effectiveness/49650173.pdf



CHAPTER 1
CONCEPTUAL FRAMEWORK: WHAT ARE WE TALKING ABOUT?

CC BY NC ND Terry Sunderland/CIFOR – Forestry stakeholder meeting in Nimba, Liberia.

1.1 BASIC CONCEPTS AND THEMES

Three basic concepts – *sustainable development* and its *governance*, and *social dialogue* – are central to this discussion paper. While there are many different definitions of the first two concepts, they are well-known in the field of development and extensively used in development policy and practice. In contrast, the concept of social dialogue is much less prominent and well-known in development circles.

Experience has shown that there is no centrally determined blueprint for the practical implementation of **sustainable development**.[2] Both its content and its translation into practice need to be negotiated or planned through some type of dialogue and collective discussion, embedded in systems of governance.[3] Scholars therefore conclude that **participatory governance**, of which social dialogue is a key example, is central to the definition of sustainable development.[4]

Most definitions of sustainable development build on the one outlined by the Brundtland Commission, including the definition of the landmark United Nations Conference on Environment and Development (UNCED) held in Rio in 1992. Moreover, the ILO definition of sustainable development adopted at the 102nd Session of the International Labour Conference (2013),[5] and used in this paper, is strongly inspired by the Brundtland definition: "Sustainable development means that the needs of the present generation should be met without compromising the ability of future generations to meet their own needs. Sustainable development has three dimensions – economic, social and environmental – which are interrelated, of equal importance and must be addressed together."

A reference ILO publication identifies four "conceptual pillars" which lie at the heart of sustainable development and are "key for its understanding and effective implementation. These pillars are those of 'sustainability', 'inter-generational equity', 'intra-generational equity', and finally, 'public participation'. The first three are *substantive* features, whereas the fourth constitutes an element of form or procedure."

"*Sustainability* implies a change in the behaviour of consumers based on the awareness of the negative results of unrestrained production and consumption. Intra-generational equity underscores that the elimination of existing inequalities between the 'developed' world and the 'developing' (but also between the poor and the rich within each country) is an essential condition for a sound implementation of the objective of 'sustainability'. The element of *inter-generational equity* refers to the idea that present generations should adjust their behaviour so that the conditions of life of future generations are taken into account. This pillar is closely linked to the previous two elements; since neither sustainability nor equity has any meaning if they are envisaged strictly in the present. Finally, the principle of *public participation* draws on the field of international human rights law (…) and is considered – together with the sister concepts of 'participatory democracy' and 'good governance' – as central to the concept of sustainable development. The element of participation would serve to express the idea that disempowered and marginalised groups should be given a voice in determining the extent to which environmental considerations, social justice and respect for human rights should prevail over economic considerations in devising national economic policies or designing specific development projects."[6]

2 Since the Brundtland report *(Our common future: Report of the World Commission on Environment and Development,* 1988, p.20), through to the adoption of the SDGs in 2015, a clear and immutable meaning of sustainable development remains elusive (Kates, Parris and Leiserowitz, 2005).
3 Carter, 2007; Jordan, 2008.
4 Papadakis, 2006.
5 *Guidelines for a just transition towards environmentally sustainable economies and societies for all* (ILO, 2013).
6 Papadakis, 2006, pp.10-11.

Social dialogue, according to the ILO definition, includes "all types of negotiation, consultation and exchange of information between and among representatives of governments, employers and workers on issues of common interest relating to economic or social policy" (ILO, 2013a: 39). It can take place at the national, regional, sectoral or company level. Determining the specific effects of social dialogue requires further specification in terms of the form, level, processes and topics of social dialogue, and the actors involved. Throughout this study, illustrations are provided of social dialogue at these different levels and settings, although exhaustive coverage would be beyond the scope of the present paper.

Social dialogue differs from other ways of governing labour relations in terms of the types of outputs that it produces and the means of achieving them. Social dialogue creates tangible outputs, such as collective bargaining agreements and social pacts. It can also involve the co-determination of policies, or the tripartite governance of certain policy areas (such as human resources development and employment policies). Such outputs are typically achieved through negotiation or cooperation involving the government and the social partners (tripartite social dialogue), or between the social partners (bipartite social dialogue). It may also involve dispute prevention and resolution. In this, it differs fundamentally from, for example, unilateral decisions taken by governments on labour issues (for example, the adoption of labour legislation on minimum wages), or no-go or conflict strategies, such as protests, strikes or lock-outs.

There is a growing consensus that the four pillars of the Decent Work Agenda, namely social dialogue, social protection, rights at work and employment, are indispensable building blocks for sustainable development and must be at the centre of policies for strong, sustainable and inclusive growth and development.[7]

In view of the conceptual fluidity of sustainable development and its multi-dimensional nature, the present paper identifies five thematic clusters of goals to which social dialogue has been shown to contribute: four of the clusters relate to the core dimensions of sustainable development, while one cluster deals with its governance. The clusters have been derived in an inductive manner, based on an initial mapping of the available evidence of how social dialogue contributes to the different dimensions of sustainable development, with the main mechanisms then being brought together in more or less homogeneous categories.[8]

The clusters are used in the remainder of the paper to summarise the contribution of social dialogue to the realisation and governance of sustainable development. The five thematic clusters covering the core dimensions of sustainable development are:

1. Working conditions, workers' rights and equality at work.
2. Access (to public services) and redistribution.
3. Growth and innovation.
4. Environment and climate.
5. Governance and participation.

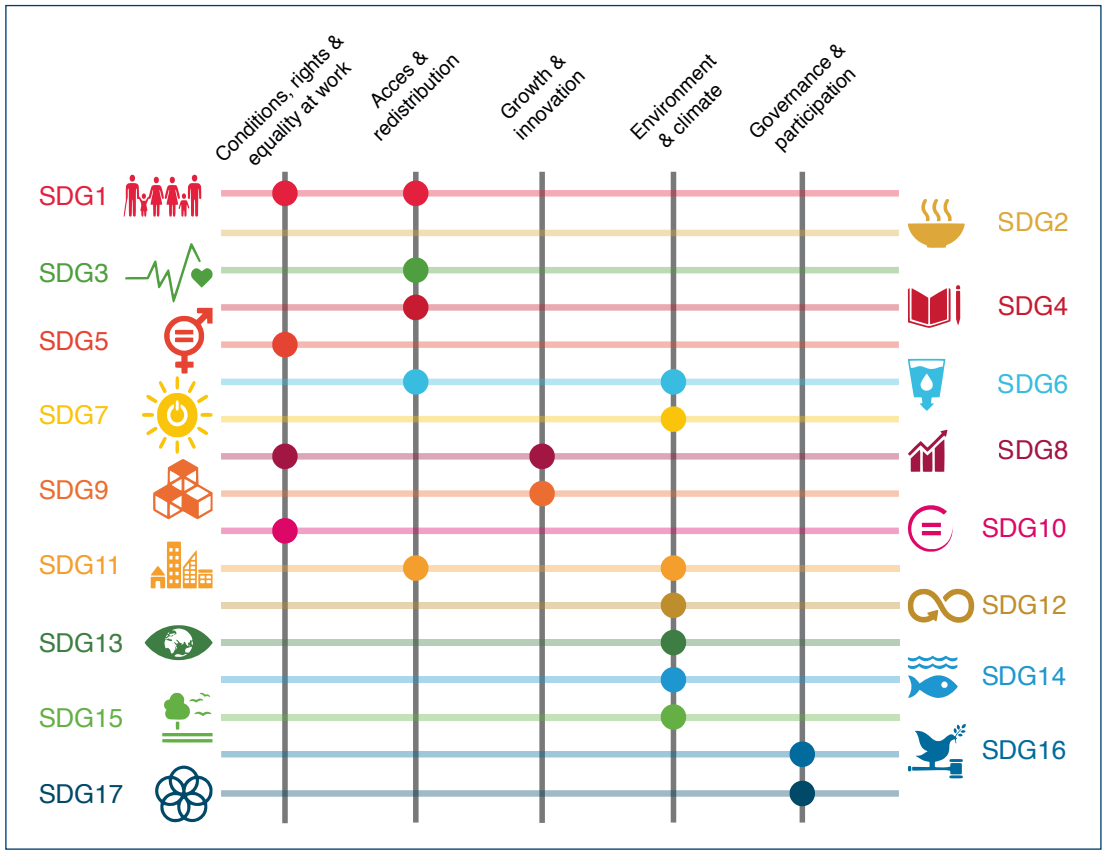
7 The term "pillar" is used here with a different meaning from the conceptual pillars of sustainable development described in the previous paragraph.

8 It should be noted that alternative classifications are also possible. It is suggested in Chapter 4 that the relevance of the framework should be tested and the clusters fine-tuned through follow-up research activities.

1.2 LINKS WITH THE SUSTAINABLE DEVELOPMENT GOALS

While the paper describes a relationship between social dialogue and sustainable development that goes beyond the specific targets set in international frameworks, such as the **sustainable development goals** (SDGs), which are themselves the outcome of collective discussions on sustainable development, the link with the SDGs remains clear. The five thematic clusters identified cover most of the ILO's focus targets (ILO, 2015a) for the 17 SDGs, with each cluster contributing to several SDGs. The relationship between the five thematic clusters and the 17 SDGs was established by reviewing which of the five thematic clusters contributed to one or more of the 169 focus targets. This exercise focussed on bringing out the strongest links between a particular cluster and the various SDGs, rather than on undertaking an exhaustive mapping of the smaller or more indirect relationships. For example, for the thematic cluster on *growth and innovation*, the contribution of social dialogue to SDG8 (decent work and economic growth) and SDG9 (industry, innovation and infrastructure) particularly stands out, although of course other more indirect links with other SDGs are not ignored. Figure 1 shows how the five thematic clusters (at the top of the figure) broadly relate to the 17 SDGs (numbered from 1 to 17). To avoid repetition, the link with the SDGs is illustrated briefly in Chapter 4 for each of the five thematic clusters.

Figure 1: Grouping the 17 SDGs into five thematic clusters



1.3 HOW SOCIAL DIALOGUE CONTRIBUTES TO SUSTAINABLE DEVELOPMENT: THREE PRINCIPLES

Apart from the five main thematic mechanisms through which social dialogue contributes to the various objectives of sustainable development, three core principles underpinning social dialogue are of specific relevance for the Development Effectiveness Agenda (the Global Partnership for Effective Development Co-operation),[9] and specifically the principles of **democratic ownership, inclusiveness and accountability**. The Busan Partnership agreement of 2011 is the outcome of the Fourth High Level Forum on Aid Effectiveness, and it reflects a gradual expansion in thematic scope (from 'aid' to 'development') and in the variety of stakeholders (from the traditional bilateral OECD Development Assistance Committee (DAC) aid community, to emerging economies, the private sector and civil society).

Through these three principles of development effectiveness, social dialogue offers both an instrument and a form of governance that contributes to the achievement of social and economic development objectives.

Table 1: Clarifying three underlying principles/mechanisms of how social dialogue contributes to sustainable development

Principle	Explanation
Inclusiveness	Social dialogue promotes **inclusiveness**, with representative and independent workers' and employers' organisations, alongside governments, seeking solutions to issues of common concern. As representative organisations, the social partners bring together the points of view of a multitude of employees and employers. In the case of the trade unions, this is further reinforced by their democratic structures and elected leadership. In developing countries, there are also indications that informal workers and their organisations are increasingly being represented in social dialogue structures through trade union representation.[10] In academic literature, this is described as providing *voice to key stakeholders* by offering channels for participation in decision-making processes. In line with this principle, social dialogue is particularly suited to addressing problems of *collective action* which, according to the conclusions that are being reached by leading research institutes, are an issue that is not resolved by most traditional development programmes.[11] A collective action problem arises when the members of a group fail to act together to secure an outcome that has the greatest potential to benefit the group.[12] Social dialogue has been found to be capable of resolving collective action problems in the area of decent work and beyond, for example by focussing on solutions that go beyond pure market logic and which avoid environmental damage or loss of jobs. Similarly, social dialogue can set common standards or wage levels in a region or sector, thus to some degree removing these elements from competition and accordingly reducing the likelihood of a downward spiral in labour and environmental conditions.[13]

9 Fourth High Level Forum on Aid Effectiveness Nov – Dec, 2011, Busan, South-Korea. http://www.oecd.org/development/effectiveness/49650173.pdf

10 Dialogue with other civil society groups (tripartite-plus) allows for the inclusion of a broader perspective and consensus on specific issues beyond the labour agenda. See, for example: http://www.solidaritycenter.org/wp-content/uploads/2014/11/Rutgers.Trade-Union-Organizing-in-the-Informal-Economy.pdf

11 See for example: https://differenttakeonafrica.files.wordpress.com/2012/04/joint-statement.pdf

12 Collective action problems cover a wide range of subjects, ranging from from climate change, ending the race to the bottom on working conditions and tax competition, and curbing corruption. The dilemma arising from these types of problems is described by one author as the problem of standing up at football matches: "if everyone sits down, they could all see just as well. But how do you get everyone to sit down?".

13 See Kleinknecht, 1998.

Principle	Explanation
Democratic ownership	Social dialogue, through its inherent processes of information-sharing, consultation, negotiation and joint decision-making, allows the social partners to share their views on and influence the policies or measures that affect them. These are important ingredients of democracy and can improve the prospect of **democratic ownership** and the effective implementation of such policies or measures by the public authorities and the social partners (ILO, 2013a).
Accountability	In addition, social dialogue offers a number of opportunities to strengthen transparency and **accountability** among the various actors involved. For example, in the case of consultations, the government has to provide feedback to the social partners on the follow-up action taken. In some countries, there is a legal requirement for such feedback through institutionalised tripartite structures. Moreover, the participation of the social partners, as the representatives of workers and employers, on the boards of social security institutions can help to ensure that their management is more accountable (ILO, 2013a). In the academic literature, these are described as *counterbalancing asymmetric social relations*, and range from participation in social dialogue processes to various types of industrial action.

Through these core principles, social dialogue offers alternative governance mechanisms that are not available in institutional contexts where governance is only determined by the market or the State (Keune, 2015).

CHAPTER 2
CONTEXT: WHAT IS NEEDED FOR SOCIAL DIALOGUE TO MAKE A CONTRIBUTION?

Mabuchi Motor/ILO – Annual workers' congresses at Mabuchi Motor – a Japanese-owned production company in Viet Nam's southern province of Dong Nai – are opportunities for the factory's workers to elect their representatives who will regularly communicate with their employer on their behalf.

Section 2 builds on findings from the following sources: Falleti and Lynch, 2009; Melloni, Pesce and Vasilescu, 2016; Alemán, 2010; Baccaro and Heeb, 2011; ILO, 2013a; Labor Institute Indonesia, 2015; Labour Research and Policy Institute Ghana, 2015; Van Geys et al., 2015; Elen, 2010; Alexander, 1999.

Before the exploration in Chapter 3 of the multiple ways in which social dialogue can contribute to sustainable development and the SDGs, the present chapter looks at the conditions that need to be in place for this to occur. Research has found that the extent to which social dialogue can be an effective instrument is highly influenced by context. There is therefore a need to specify the settings and preconditions that are required for social dialogue to be able to make an optimal contribution to social, economic and environmental goals.

The influence of contextual factors on the effectiveness of social dialogue is explored in two stages, which address two central questions: (1) What are the factors that determine the effectiveness of social dialogue in general? and (2) What additional preconditions need to be in place for social dialogue to contribute to the broader sustainable development agenda?

Contextual factors when social dialogue focusses on the traditional labour agenda

Studies continue to confirm the existence of a limited set of preconditions that determine the effectiveness of social dialogue at the company, sectoral, national and international levels. While the relative importance of specific preconditions also depends on the historical patterns of labour relations in any particular country,[14] the absence of any of these preconditions, which is common in times of crisis or in developing countries, significantly limits the effectiveness of the social dialogue process.

The literature on the effectiveness of social dialogue distinguishes between different types of dialogue, depending on the level (workplace, sectoral, national, inter-professional, regional) and the actors (tripartite, bipartite, tripartite-plus). The following section examines national tripartite social dialogue and workplace social dialogue.[15]

At the **national level**, the ILO (2013d), based on its long expertise in this area, has identified six preconditions for successful tripartite social dialogue, in line with the relevant international labour standards. The preconditions include, first and foremost: (1) the existence of the necessary democratic space and freedom of association and collective bargaining to allow the social partners to organise and express themselves freely; (2) the social partners should themselves be strong and representative workers' and employers' organisations, with appropriate competence and the capacity to (ensure that their members) comply with the commitments entered into: (3) the existence of sufficient political will and a sense of responsibility among all the parties to engage in social dialogue; (4) an adequate level of institutionalisation, including funding and well-defined legal mandates, which ensures continuity of operation during political change; and, finally, (5) the availability of experience in building trust, as well as negotiation and cooperation skills; together with (6) accurate information and sound information exchange.

These general preconditions have been confirmed by various studies. For example, it was found by one study that freedom of association was a necessary precondition for the emergence of a social dialogue response at the national level to the 2008 economic and financial crisis. Another ILO study emphasises the paramount importance of political and social stability in determining the success of social dialogue reform. In Indonesia,

14 For differences within the EU, see for example the Eurofound (2013) typology of different types of industrial relations.

15 Tripartite national dialogue involves high-level policy-makers and the leadership of workers' and employer organisations. They typically discuss national economic and social policies, such as labour market management and reform, employment promotion, productivity, income distribution and poverty reductions, and pension reform. On the other hand, collective bargaining at the workplace level mainly deals with terms and conditions of employment, and most often involves a representative of the employer and local workers' representatives. No research has been found on success factors for social dialogue at the international level.

as is the case in many developing economies, low unionisation levels among the growing group of informal economy workers is seriously limiting the coverage of existing social dialogue processes. In Ghana, as the agenda of national tripartite dialogue is restricted to minimum wage fixing, the Government is making use of ad hoc multi-stakeholder dialogue to consult civil society on economic and social policies. A recent study by the Ghanaian Labour Research and Policy Institute concludes that the lack of institutionalisation of such multi-stakeholder dialogues is resulting in weak outcomes, with few structural opportunities for the social partners to influence and contribute to policy development and implementation, and therefore also in limited ownership.

At the **workplace level**, a wide range of preconditions are referred to in the literature. These include: (1) effective information and consultation; (2) a conducive regulatory framework and dispute settlement system; (3) a labour inspectorate; (4) the necessary negotiation structures and the basic rights of workers' representatives; and (5) proven skills and training. The importance of these basic preconditions is highlighted in a recent ILO study as an explanation of why the ILO, as one of the leading agencies involved in strengthening social dialogue, has initiated substantially more social dialogue projects in Latin America and Europe than in Africa and Asia, where more of the preconditions are not met.

The potential for social dialogue to contribute to the achievement of sustainable development, combined with the need for critical preconditions to be in place for this type of social dialogue to be effective, raises the question of what can be done to ensure the existence of some of the necessary preconditions. Although there are no silver bullet solutions for the creation of a more conducive environment, insights are growing steadily. For example, the 2013 ILO synthesis review of ten years of ILO social dialogue projects identifies a number of critical success factors for the strengthening of social dialogue. These relate to: (1) the design of interventions (long-term support, involvement of the social dialogue actors); (2) capacity building (integrative approaches); and (3) the strengthening of labour law (leading to a more efficient labour administration).

Additional preconditions for social dialogue to contribute to broader sustainable development issues

There is a growing group of cases in which social dialogue has contributed to sustainable development goals that go beyond the pure labour agenda, both through workplace and national tripartite dialogue.

However, even in settings that are generally conducive to social dialogue, the social partners may not be directly involved in, or contribute to, broader sustainable development issues. There are arguably at least three contextual factors that determine whether, beyond labour issues, social dialogue can contribute effectively to the broader sustainable development agenda.

Firstly, the actors in social dialogue need to enjoy sufficient social legitimacy to engage in these topics. This is not a formal or technical consideration, but more of a political and ideological matter. In which topics is the State willing to grant the social partners a broader role? To what extent is it considered acceptable, for a given topic, for the social partners to make (centralised) agreements, rather than relying on market forces or the actions of individual employers and workers? Do (unionised) workers consider certain topics valid for engagement by their representatives, or are they hesitant to focus bargaining energy on subjects that are less relevant to their specific direct interests?

This "distribution of legitimacy" for a specific topic is mostly the result of historical debates and strug-

gles, and is to a large extent governed by institutional inertia and self-reinforcing dynamics. For example, by being involved in social dialogue on a certain topic as a result of an agreement, the actors in social dialogue gain legitimacy and experience, which in turn strengthens their legitimacy and chance of being involved in future agreements on that subject.

Secondly, the issues under consideration need to be "within the reach" of tripartite social dialogue structures, not just in formal terms, but also in practice. For example, if certain issues of social, labour or ecological regulation are related to international agreements, but the national tripartite actors are not able to influence their content or implementation at the national level, due to limited experience, a lack of relative influence or because there are not adequately embedded in the respective networks, it is not correct to simply consider that the outcomes of the national social dialogue dynamic on these issues are ineffective.

Finally, the actors in social dialogue need to have the skills and expertise to be able to engage credibly and effectively in the broader socio-economic issues of sustainable development. These issues are far removed from their 'bread-and-butter issues', which are typically focussed on individual and collective labour relations and (redistributive) conflicts.

This is an area in which actual practice on the ground is running ahead of research. Up to now, research efforts have largely been focused on the expanding agenda of social dialogue in European countries. Much less is known about what is happening on other continents, and the type of support that can be provided.

CHAPTER 3
WHAT IS KNOWN ABOUT THE CONTRIBUTION OF SOCIAL DIALOGUE TO SUSTAINABLE DEVELOPMENT?

🄯 Ⓒ Solidarity Center/Sifat Sharmin Amita – Thousands of garment workers and their unions rally on the one-year anniversary of the Rana Plaza collapse that killed more than 1,100 garment workers.

Section 3.1 builds on findings from the following sources: Van Gyes et al., 2015; Kristal, 2010; Shin, 2014; Volscho and Kelly, 2012; Jaumotte and Buitron, 2015; Hayter, 2015; Gammage, 2015; Pillinger, 2014; Briskin and Muller, 2011.

Section 3.2 builds on findings from the following sources: Hayter, 2015; Hermann, 2014; van Ginneken, 1999; Cuesta Duarte Institute, 2016; Labor Institute Indonesia, 2015.

Section 3.3 builds on findings from the following sources: Addison, 2009; Marsden and Canibano, 2010; Menezes-Filho and Van Reenen, 2003; Van den Berg, Grift and Van Witteloostuijn, 2011; Ferras, Kupfer and Marques, 2014; Hall and Soskice, 2001; McLaughlin, 2013; Keune, 2015; Streeck, 1997; Kleinknecht, 1998; Salazar-Xirinachs, Nübler and Kozul-Wright, 2014; Ferras et al., 2014; Stiglitz, 1998; Finnestrand, 2011; Hermans and Ramioul, 2016; ILO, 2015a; Dabla-Norris, Kochhar, Suphaphiphat, Ricka and Tsounta, 2015.

Section 3.4 builds on findings from the following sources: ILO, 2013b; ITUC, 2015; ILO, 2012b; ILO, 2012a; Creten et al., 2014; Van Gyes et al., 2015; CISL, 2015.

Section 3.5 builds on findings from the following sources: Fashoyin, 2004; ILO, 2013b; Davidov, 2004; Van Gyes et al. 2015; Budd and Bhave, 2008; Fiorito and Jarley, 2008; Foley and Polyani, 2006; Webster and Joynt, 2014; Fashoyin, 2004; Héthy, 2001; Campos and Root, 1996; Campbell, 2001; Choi, 2000; ILO, 2013c; Vitols, 2011; Stammers, 2009.

This chapter provides an overview of how social dialogue contributes to the five thematic clusters described in Chapter 1, illustrated with examples from the literature. The intention is not to be exhaustive, but to present the key mechanisms at play in the five thematic clusters, to explain how the three principles (democratic ownership, inclusiveness and accountability) of the development effectiveness agenda are operationalised through social dialogue and, finally, to identify gaps in knowledge of this subject.

3.1 WORKING CONDITIONS, WORKERS' RIGHTS AND EQUALITY AT WORK

In relation to this thematic cluster, joint consideration is given in the present paper to working conditions and workers' rights, together with equality at work, as the discussion of decent work and the (unequal) distribution of benefits arising from economic activity is deeply entwined. In this way, social dialogue contributes to SDG1 (ending poverty), SDG 5 (achieving gender equality), SDG 8 (promoting inclusive and sustainable economic growth and decent work) and SGD 10 (reducing inequality).

This cluster is the most evident area in which social dialogue contributes to social and economic development, since working conditions (including the setting of wages, other benefits, non-discrimination and career promotion), workplace democracy (workers' rights), and therefore the fair redistribution of company benefits, are the core drivers of social dialogue. For example, at the national level, social dialogue often takes the form of tripartite negotiations on national socio-economic policies and basic working conditions.[16] In many countries, wage levels and other working conditions are negotiated through (bipartite) collective bargaining at the sectoral, regional or company levels. One example of the developmental impact of bipartite negotiation is described in *Box 1*.

BOX 1 — NATIONAL SECTORAL EMPLOYMENT COUNCILS IN ZIMBABWE

Although Zimbabwe has been under international scrutiny for over two decades for violations of trade union rights, and its national tripartite structures have tended to be dormant, there is a long tradition of bipartite social dialogue, mostly through the system of national sectoral employment councils (NECs), in which employer and worker representatives negotiate working conditions and wage levels. The system has operated relatively well over the past two decades, although the economy has shrunk almost constantly over the same period (with a short upheaval during the period 2012-13). A recent national collective bargaining audit by the research institute LEDRIZ (2015) shows that, through annual wage negotiations at the sectoral level, the gap with the living wage (the poverty datum line) fell substantially during the period 2012-14 (in the formal sector).[17] This example shows that bipartite negotiations can form a complementary mechanism for decent work conditions under difficult circumstances, especially in a context in which the government is hostile to organised labour.

16 Depending on the context, the setting of minimum wages by the government may either be a decision taken unilaterally outside social dialogue, or may have been negotiated through tripartite social dialogue.

17 However, this has changed more recently. As from 2015, employers have refused to negotiate further because of the continued deterioration of the economy. In addition, political influence on the judiciary has been increasing over recent years, making dispute mechanisms less effective.

Since the 2008 financial crisis, interest has increased in the impact of social dialogue in reducing inequality, especially in developed economies. Research, mainly in OECD countries, shows various ways in which social dialogue achieves greater equality in wage-setting, resulting in: (1) a larger share of earnings for middle- and low-income workers; (2) less income inequality in relation to the top of the wage distribution; and (3) a higher share of income from labour in GDP.

In addition to achieving more equal wage outcomes for workers in general, social dialogue can also contribute to reducing wage inequalities for specific disadvantaged sub-groups of workers. The positive impact of social dialogue therefore includes addressing societal inequalities, such as the gender pay gap, which would otherwise remain untouched by the normal wage formation process. For example, as women are over-represented in precarious low-wage work, with lower coverage of collective bargaining at the enterprise level, centralised tripartite social dialogue instruments, such as minimum wages, are sometimes used to correct market forces. The same instruments can also increase the participation rates of women to the labour market, as raising wages at the lower end of the income distribution increases the opportunity cost of taking a job. However, in order to realise the full potential of social dialogue for the achievement of gender equality, more attention needs to be paid to gender concerns in collective bargaining. In addition, research has noted "catch-up mechanisms", as a result of which wages in the informal economy tend to rise when higher minimum wages are negotiated in the formal economy.

As well as minimum wages, there is also a growing body of evidence pointing to the potential of national tripartite social dialogue and collective bargaining to address broader gender issues at the national and enterprise levels. *Box 2* describes how gender issues were addressed through a European-wide framework agreement with a multinational enterprise (the Areva Group).

BOX 2 — ADDRESSING GENDER ISSUES THROUGH SOCIAL DIALOGUE IN A MULTINATIONAL ENTERPRISE

In 2006, the management of Areva, the European Works Council and the European Metalworkers' Federation (EMF) concluded a European framework agreement on equal opportunities in the Areva Group in Europe. The agreement covers non-discrimination in recruitment, equal access to career promotion for all employees, as well as equal access to pay and training. It also establishes a Women's Forum, composed of 100 women from all areas and positions, which meets twice a year. The agreement is not a mere declaration of intent, but expresses the commitment of the signatories to improving equal opportunities standards for men and women and for the professional integration of disabled people within all the structures of the Areva Group in Europe (Briskin and Muller, 2011, p. 6).

Social dialogue can contribute to the specific SDGs in this cluster in such a way that three key ***Busan development effectiveness principles*** *are reinforced. When working conditions are set and monitored through a negotiated and transparent process that includes the social partners and the government, three development effectiveness principles are at play at the same time, as the governance process: (1) is inclusive and addresses collective action problems, avoiding a race to the bottom through competitive pressures; (2) creates ownership by the actors in social dialogue; and, in addition, (3) the different stakeholders are accountable to each other.*

3.2 ACCESS TO PUBLIC GOODS AND REDISTRIBUTION

Evidence shows that social dialogue can be a key instrument in influencing the orientation of socio-economic policy, for example on social protection, towards greater inclusiveness and more comprehensive coverage for low-income households, while at the same time contributing to redistribution. This effect of social dialogue touches on all the references to (equal) access in the various SDGs, and is strongly linked to the provision of public goods in the area of health (SDG3), education (SDG4), clean water and sanitation (SG6) and housing (SDG11). This thematic cluster also contributes to SDG1, as poverty is influenced by better access to public services and redistribution through taxation.

The contribution of social dialogue to improved access to public goods and redistribution is demonstrated by a broad range of research sources. For example, research has identified the positive role played by the social partners through social dialogue in improving the access of workers to social protection schemes and other social services, and in increasing public spending in these areas. Social dialogue can therefore be instrumental in supporting a shift in thinking, from evaluating public services mainly on the basis of costs and efficiency, to the use of criteria such as access and impact on equality. Box 3 describes an example of such a process in Uruguay.

BOX 3 — IMPROVING SOCIAL SECURITY PROVISION THROUGH NATIONAL DIALOGUE IN URUGUAY (CUESTA DUARTE INSTITUTE, 2016)

The National Dialogue on Social Security (NDSS, 2007-12) brought together a broad range of social actors to discuss changes in the social security system. The actors included representatives of workers, pensioners and employers, civil society organisations, the Government and academic institutions.

The outcomes of the first round (2007-08) of the NDSS were highly promising, including the redesign and extension of unemployment benefit. The second round was held between late 2010 and 2012 with the more ambitious goal of addressing outstanding and more contentious issues, such as permanent disability benefits and wage guarantee funds. However, the outcomes were more limited.

The process is an example of how channels can be provided for the participation of employee and employer organisations. It also shows that, in settings with fewer institutional mechanisms, social dialogue can offer a flexible governance space that can accommodate a broad range of actors.

Strengthening the provision of public services through social dialogue is also beneficial from the point of view of redistribution, as the (cash) value of public services is relatively larger for lower income households. In other words, public services financed through the taxation of the population as a whole have an important redistributive effect, because these services would otherwise take up a large portion of the income of, or even be unaffordable for lower income households.

Research findings also find that similar mechanisms are visible for workers in the informal economy. Increased provision of public services frees up some of the income of these workers, which is particularly important as they are often unable to pay towards contributory social security systems. A notable example is the case of Indonesia, where a large coalition of trade unions and other civil organisations managed to pressurise the government into signing a new law mandating (through progressive implementation) the extension of social security coverage to the whole of the population in the branches of health, work injury, old age and death of the breadwinner. Moreover, tripartite governance has been extended to the implementation of the measures, with the social partners being represented on the social security tripartite supervisory body.

*From the viewpoint of the **Development Effectiveness Agenda** (Busan, 2011), at least two principles are mobilised through this mechanism. Bringing together a broad range of social actors in discussions and consultations on changes to social security systems mobilises the inclusiveness principle, while at the same time addressing collective action problems relating to redistribution, which are all highly sensitive political issues. The fact that this is done with the involvement of representative actors increases the democratic ownership of the process.*

3.3 GROWTH AND INNOVATION

This section examines the evidence of how social dialogue can contribute to improved productivity and economic growth, on the one hand, and the stimulation of innovation, on the other. By promoting economic growth and innovation, social dialogue can contribute to SDG8 (decent work and economic growth) and SDG9 (industry, innovation and infrastructure).

The contributions of social dialogue to growth and innovation can be summarised in four effects: (1) creating incentives for investment in the professional development of employees, for example through pooled training funds; (2) stimulating competition based on product and process innovation, rather than a race to the bottom in working conditions; (3) pushing for sustainable macroeconomic and development policies; and (4) creating social stability by moving contentious industrial relations issues to higher levels of governance.

The four main mechanisms in this cluster all involve levelling the playing field for companies, and therefore stimulating competition based on innovation and growth, rather than forms of competition that lead to the erosion of social or ecological standards.

The first mechanism involves the creation of incentives for companies to invest in a skilled labour force through training and skills matching, as a corrective to the failures of the free market and the inadequacies of State education and training policy. In a competitive labour market, individual companies are under a disincentive to invest in workers, beyond skills that are directly required and company specific, due to fears of staff turnover as a result of the poaching of freshly trained workers, resulting in the under-provision of training and lagging aggregate skill levels. This market failure, which leads to lower levels of innovation

and growth, can be corrected through bipartite or tripartite social dialogue to remove market-based disincentives through agreements and the pooling of training funds. For example, an individual company may be hesitant to train employees who might be poached by another firm, but such reluctance decreases when many companies in a sector agree to provide training through a sectoral fund.

Through the second mechanism, bi- or tripartite bargaining imposes minimum wage levels and other minimum working conditions on companies in a specific sector or area, which once again leads to healthy forms of competition.[18] In a situation of unregulated competition, companies are forced to compete using "low-route" strategies, at the cost of social and environmental concerns, and even their own long-term survival. For example, a company which wishes to compete through product innovation, while continuing to pay decent wages, may come under pressure from other companies that focus on keeping down wage costs. When multi-employer wage agreements fix wages to some degree, competition through product innovation becomes a more viable route, and less innovative low-wage companies face increased pressure from creative destruction. Social dialogue can therefore remove these issues partially from competition and point companies towards "high-route" competition strategies based on growth and innovation.

BOX 4 — TRIPARTITE-GUIDED INDUSTRIAL POLICY IN BRAZIL

The *Plano Brasil Maior* (PBM, 2011-14) is a set of industrial policies, developed in the wake of the financial crisis and fierce import competition, which focusses on the local aggregation of added value through innovation. The goals of the PBM are based on three dimensions (competences, structural change and efficiency, and market expansion) which contribute to the overall objective of sustainable development.

The multi-layered governance structure of the PBM includes tripartite structures at various levels, ranging from the Industrial Development Council at the strategic level to the Sectoral Competitiveness Councils at the level of articulation and policy formation. This configuration, and the resulting debate and interaction among stakeholders, has been identified as essential to the effectiveness of the PBM (Ferras et al., 2014).

18 This mechanism is known as "beneficial constraints" in the specialised literature.

The third mechanism shows how social dialogue as a governance instrument can avoid elite capture of macro-economic policy in developing countries, thereby safeguarding its original orientation towards growth and innovation. Macro-economic policy is central to sustainable growth in developing countries, and industrial policy plays a prominent role in stimulating growth and innovation. In view of the shift away from the non-interventionist orientation of 1980s industrial policy, governments have looked for different ways to promote and stimulate innovation and economic growth. Research has found that policy measures that are co-designed and monitored through social dialogue tend to have a higher likelihood of maintaining their original goals. This mechanism is increasingly relevant in developing countries in view of the higher risk of the (regulatory) capture of weak state structures by private actors. Tripartite social dialogue and partnership approaches are necessary to counter such capture and ensure that policies remain on the intended course.[19]

The final effect of social dialogue is linked to the representative nature of the social partners and their bargaining role. By raising industrial relations disputes, for example on wages, from the company to the sectoral or national levels, social dialogue creates stability at the enterprise level, with spaces for more cooperative and innovative dynamics.

In addition to these four general effects, there are indications that social dialogue can contribute to growth by strengthening productivity and innovation at the enterprise level (see section 3.2 on access to public goods and redistribution). However, it is difficult to conduct research into these issues, which tend to be context-dependent, and the findings in the literature are less consistent in this regard.

The contribution of social dialogue to improved access to public services (section 3.2), such as education, has complementary effects in this cluster. For example, strengthened access to further education and the improvement of women's labour market participation creates the necessary conditions in the medium term for economic growth in sectors requiring workers with higher educational levels. Secondly, there is also growing awareness and empirical evidence that increased inequality is harmful for growth. For example, the share of income from labour-related activities in GNP, compared with income from capital, is showing a downward trend in most large economies, resulting in depressed household consumption and aggregate demand, leading to low global economic growth and inequality between wage-earners and those with capital-based incomes. Similarly, increases in income for the top 20 per cent of the income distribution are negatively associated with overall economic growth, while increases for the bottom 20 per cent are positively correlated with growth. By reducing these types of inequality, social dialogue also contributes to providing a stronger basis for growth.

*In terms of the **Development Effectiveness Agenda,** it is particularly the principle of inclusiveness, and more specifically the ability to solve collective action problems, that ensures the effectiveness of social dialogue in this area.*

19 This is linked to the monitoring function of social dialogue (see section 3.5).

3.4 ENVIRONMENT AND CLIMATE

Prominent examples of sustainable and future-oriented environmental policy initiatives in the context of labour include the *Green Jobs* initiative, established in 2008 by the ILO, UNEP, the International Trade Union Confederation (ITUC) and and the International Organisation of Employers (IOE), as well as the *Green Jobs Programme*, launched by the ILO in 2009. These programmes recognise social dialogue as being instrumental in deliberating upon and building support for the implications for labour issues of new environmental policy initiatives.

Nevertheless, the supportive role of social dialogue as a form of governance for the deliberation and implementation of ecological policies goes beyond the labour-ecology nexus. The ITUC has called for a "just transition", using social dialogue as a governance instrument for climate action, and leading to decent jobs and overall social progress. The promotion of consensus building and cooperation between governments and the social partners through social dialogue is considered to be essential in view of the profound changes in production, consumption, technology and jobs necessitated by the transition to a greener economy. The following section describes various examples of the use of social dialogue in processes of transition towards a green economy. Social dialogue can contribute to a range of environmental and climate-related SDGs, including SDGs 6 and 7, as well as SDGS 11, 12,13, 14 and 15.

In the first place, social dialogue on environmental policy allows the inclusion of different viewpoints when assessing environmental issues and sustainable development. This has been shown to promote a better understanding among the actors in social dialogue of their respective opportunities, challenges and needs. Such understanding can help to build consensus and ownership of policies, which can in turn contribute positively to their implementation. Evidence also shows that the formalisation of social dialogue may further increase the chance of the resulting agreements and recommendations being translated into specific policies and of their implementation. A notable example is the social dialogue round tables proposed by the trade unions in Spain, which were established by law in 2005, and which allowed the social partners to participate in the design and monitoring of the national emission allocation plan (NEAP), which was evaluated positively in a 2010 overview study.[20] There are also examples in developing countries of tripartite-plus governance structures, for instance in Senegal and Sierra Leone, where there are national climate committees including representation of employers, unions and other civil society organisations. The Green Accord in South Africa, as described in *Box 5*, is another example.

20 ILO, 2010.

BOX 5 — THE GREEN ACCORD IN SOUTH AFRICA

In South Africa, the Green Economy Accord was signed in 2011 by the Government, with the backing of employers, three labour federations (the Congress of South African Trade Unions (COSATU), the Federation of Unions of South Africa (FEDUSA) and the National Council of Trade Unions (NACTU), accounting for over 2 million workers), and other civil society organisations. The tripartite-plus Accord represents a comprehensive social partnership (the Government, employers, trade unions and civil society organisations) aimed at developing the green economy aspect of South Africa's New Economic Growth Path, which targets the creation of 5 million additional jobs by 2020.

The Green Economy Accord contains 12 commitments and identifies the practical steps that must be taken by each partner for the creation of 300,000 new green and decent jobs within the next ten years. It is a formal agreement endorsed by the various constituencies, which sets out: (1) quantifiable targets; (2) the time frame for achieving the targets; and (3) evaluation and monitoring mechanisms to ensure that the goals are attained.

The Accord is a direct outcome of national social dialogue on South Africa's New Economic Growth Path, which was managed by the National Economic Development and Labour Council (NEDLAC), South Africa's national tripartite body (GJI and IILS, 2012; ILO, 2012).

Formalised social dialogue can also help to avoid powerful lobbies which seek to block the implementation of ecological regulations. For instance, the Belgian social partners are part of the Federal Council for Sustainable Development,[21] to which the Government has to report annually on the implementation of its recommendations. There are also other instances through which social dialogue has been able to ensure that labour standards are respected or improved in the context of greening initiatives. For example, in Brazil, tripartite social dialogue resulted in the establishment in 2009 of a national tripartite commission for dialogue and evaluation of the National Commitment on labour conditions in the biofuel industry.

There is also evidence that greening initiatives rooted in social dialogue processes can contribute to reducing production costs and influence green policy reforms in a manner that creates new jobs and re-orientates obsolete jobs. A notable example is the "better not cheaper" approach of IG Metall, the metalworkers' union in Germany, which pushed through works councils for greening activities that improve resource efficiency, thereby increasing competitiveness and job security. In the United States, strategic alliances between unions and environmental organisations, such as the BlueGreen Alliance and Green For All, have become influential in national debates on sustainability transitions and the greening of the economy, and have pushed for major investments in green industries and successfully advocated the extension of fiscal benefits for green energy producers. Another example from Italy is described in *Box 6*.

21 FRDO-CFDD, http://www.frdo-cfdd.be/en/the-council.

BOX 6 — SOCIAL DIALOGUE TO FACILITATE THE GREENING OF PRODUCTION IN ITALY

During the renewal of the supplementary corporate agreement at Almaviva Spa (IT division) in the Lazio region (Italy), negotiations stalled because the company did not have sufficient economic resources to meet the financial demands of the company union representative bodies (RSU).

As a means of finding the necessary resources to renew the salary component of the corporate agreement, the RSU proposed the implementation of measures to improve the energy efficiency of company processes. The RSU's proposal was welcomed by the management, which had already begun working on its own environmental sustainability strategy.

This led to the signature of the agreement between the union and the company on 3 July 2009 and the development of the Almaviva Green Project, which has also contributed to a qualitative leap in industrial relations in the company (CSIL, 2015).

Finally, social dialogue has been shown to be capable of contributing to enhanced collective learning about technical environmental issues. Notable examples include the numerous environmental conferences held in Brazil between 2003 and 2008 at the local, regional and national levels with a view to enhancing public participation in developing recommendations for the mainstreaming of the environment in the various policy sectors. The social partners can also help in identifying the skills needed for a green economy, and therefore in facilitating the matching of labour demand and supply, as illustrated by the multi-stakeholder taskforce on green jobs and climate change in India (2009), which was responsible, among other matters, for carrying out studies on the employment aspects of renewable energy.

*The **development effectiveness principles** of inclusiveness and democratic ownership are put into action when the social partners, who may have very different views and interests, are involved in structured consultations and negotiations on greening initiatives.*

3.5 GOVERNANCE AND PARTICIPATION

It has been argued in the previous sections that social dialogue, as a form of governance, can also contribute to the realisation of specific sustainable development objectives (3.1 to 34.4). At the same time, strengthening governance and participation in sustainable development processes is in itself one of the global challenges, identified for example in the sustainable development goals SDG 16 (promote just, peaceful and inclusive societies) and SDG 17 (revitalise the global partnership for sustainable development). This also resonates with a wider trend in which social dialogue, traditionally associated with employment and labour-related issues, is increasingly being seen as an instrument for promoting democracy and "good" governance at the various levels. This section explores how and why social dialogue can complement or strengthen existing systems of governance in the context of sustainable development.

A core function of social dialogue is precisely to provide an alternative governance structure beyond the individual employee-employer relationship. It can address the democratic deficit or imbalance of power within that relationship. For example, a regime of collective bargaining can help to institute a system of checks and balances, which can prevent unilateral action by the employer. European experience shows that well-structured social dialogue which makes the results of bargaining processes publically available and brings into the open the various positions (accountability and inclusiveness) has a high chance of leading to results in terms of decent work, as well as productivity. Various authors also refer to ethical arguments that favour social dialogue and workplace democracy. Some see them as processes rooted in essential human rights and liberties. Others, referring to the citizenship argument, point out that experiencing participation and control in the workplace can contribute to the development of the values and skills of citizenship and the production of social capital.

Another feature of social dialogue consists of its advantages in reaching agreement in the event of crises or political and economic transitions. Notable examples include South Africa during the transition from Apartheid, as well as the democratic transition in Tunisia following the 2011 revolution, including the signing of a tripartite social contract in 2013 (see *Box 7*). Also, during the post-Apartheid era, NEDLAC, established in 1995, has been a leading tripartite forum for the discussion of major social and economic challenges, including such issues as measures to mitigate the 2008 financial crisis, the electricity crisis of 2015 and the 2016 crisis in the higher education sector. Tripartite social dialogue was also successfully used during the economic and political transformation from communism to democracy in the former Soviet countries of Eastern Europe, such as Hungary in 1988, followed by Bulgaria, Czech Republic and Poland. In these cases, social dialogue was seen as a mechanism to strengthen cooperation between the labour market partners, and within society in general.

BOX 7 — TUNISIA: THE 2013 TRIPARTITE SOCIAL CONTRACT

In Tunisia, a tripartite social contract was concluded on 14 January 2013. This agreement, which benefited from strong ILO support, was signed on the second anniversary of the events that led to the Arab Spring uprisings, first in Tunisia and then throughout the region. The social contract was the result of long and difficult negotiations between the most representative organisations of workers and employers, and the Government. In the context of the political transition in Tunisia, the social contract aims to pave the way for improvements in such areas as labour legislation and industrial relations, employment policy, social protection and vocational training, as well as balanced regional development. It also envisages the establishment of a National Social Dialogue Council to ensure its implementation. The Bill establishing the Council was approved by the Cabinet in June 2015 (ILO, 2013d).

The role that social dialogue can play in economic transition is illustrated by the tripartite "deliberation councils" in East Asian countries during the crippling financial crisis of 1997. Deliberation councils were established to facilitate consultation and information-sharing between governments and the social partners, and to secure the cooperation of the economic elite. In the Republic of Korea, the deliberation council contributed to the development of a first ever social pact, through which the tripartite partners negotiated the fundamental reforms required for key labour market issues. Similarly, social and economic councils played an important role in many countries worldwide in securing broad support for tailor-made policy measures in response to the 2008 global financial crisis. The positive role of social dialogue in these cases may have been due to the fact that consultation, through the principle of democratic ownership, can help overcome resistance to change by promising stakeholders a say in how the change will be achieved.

There is also evidence that alternative tripartite-plus structures can complement existing social dialogue mechanisms by improving inclusivess when certain actors/groups are not sufficiently represented, or when the enforcement of labour regulation is weak. At the national level, one example of a tripartite-plus structure can be found in South Africa, where a range of civil society organisations are represented on NEDLAC. Moreover, tripartite-plus structures can also include transnational stakeholders in global supply chains, which would otherwise not be represented in social dialogue, such as international buyers and other civil society organisations. One example is the *Better Factories Cambodia* project (see *Box 8*), through which working conditions in the garment sector are monitored by independent auditors, under the coordination of the ILO. The monitoring reports are communicated to international buyers, which make purchases from suppliers that have been audited. The project covers a large majority of the export-oriented garment companies. A tripartite-plus structure, which includes local trade unions and some other stakeholders, monitors the implementation of the project.

BOX 8 — COMPLIANCE WITH LABOUR STANDARDS IN THE CAMBODIAN GARMENT SECTOR

In 1999, in response to consumer concerns about poor working conditions in the garment sector, the United States, through a bilateral textile trade agreement, came to an agreement with Cambodia to increase import quotas in exchange for concrete efforts to bring working conditions into line with international labour standards. An important condition was the willingness of Cambodian factories to allow routine independent monitoring by the *Better Factories Cambodia* (BFC) project, established by the ILO.

The agreement created positive incentives for compliance and led to a gradual improvement in working conditions and annual increases in the import quota of up to 14 per cent. Interestingly, in 2006, about two years after the agreement came to an end, the tripartite partners requested the continuation of monitoring of working conditions by the BFC project, as improved working conditions were resulting in increased productivity and profit.

However, after 2006, the monitoring reports were no longer made public. This resulted in a stagnation, and even a decrease in compliance rates, except in factories selling to buyers that are sensitive in terms of their reputation. Moreover, companies with low compliance rates were not being penalised by Government inspectors. In addition to pressure from local unions, other civil society organisations and international buyers also played an essential role in campaigning for the re-establishment of the public disclosure mechanism. When this mechanism was reinstated, compliance started to improve again from 2014 (ILO, 2014; ILO and IFC, 2015; World Bank, 2015; Byiers et al., 2016).

With the globalisation of the economy, decision-making on topics affecting labour relations is gradually shifting beyond the national level, resulting in an increasing need for tripartite dialogue structures at the regional and international levels. A growing number of structures and mechanisms are being developed to improve labour governance at these levels. For example, as a "truly globalised industry", the apparel sector has seen various initiatives to improve decent work conditions in its global supply chains (ILO, 2016), including: (1) the Bangladesh Accord on Fire and Building Safety, a five-year agreement signed in May 2013 by over 200 retailers and brands, global union federations and eight Bangladeshi trade unions; (2) global framework agreements between multinational enterprises and global union federations, such as IndustriAll; (3) tripartite international initiatives, such as the Better Work programmes (see above); and (4) other action taken by governments (for example, in relation to export processing zones) and the social partners (such as the Freedom of Association Protocol in Indonesia). The effectiveness of these different mechanisms in the apparel sector is still a source of debate, and has only been examined by a few studies.

At the regional and transnational levels, the EU has the most extensive social dialogue structures and procedures, such as European Works Councils (EWCs). Such mechanisms are much less present in other regional bodies, although some examples exist. Box 9 describes the negotiation of a progressive labour and employment protocol in Southern Africa.

BOX 9 — SUCCESSFUL SOCIAL DIALOGUE AT THE REGIONAL LEVEL

In August 2014, a progressive Labour and Employment Protocol was signed by a majority of the Heads of State of the Southern African Development Community (SADC), in which a small technical support programme (ANSA) of the Southern African Trade Union Co-ordination Council (SATUCC) played a key role. The Protocol was intended to counter balance the wave of deregulation policies that were being launched by governments in the region. The Protocol covers 16 themes, with reference to core international standards, and contains many labour-friendly clauses on *basic human rights, freedom of association and collective bargaining, equal treatment, employment and remuneration, the improvement of working and living conditions, decent work for all, social protection, occupational health and safety, health care, retirement, unemployment and under-employment, maternity and paternity, people with disabilities, the protection of children and young people, labour migration and migrant workers, informal employment and rural workers, and education, training and skills development.*

This experience points to the following lessons: (1) the importance of investing in both a broad internal support base among national trade union centres to establish processes wth a broad influence on policy at the regional level, as well as on external stakeholders; (2) the potential offered by working with power brokers and champions, and taking advantage of windows of opportunity in a difficult operating environment; (3) the relevance of intermediary support structures, such as the ANSA, in influencing policy; and (4) the relevance of long-term flexible support for programmes that influence policy (FOS, 2016).

Finally, the fact that trade unions are inherently democratic membership organisations can lead to them providing a qualitatively different contribution to governance networks in comparison with actors that operate according to a different logic of mobilisation. For instance, civil society actors, such as NGOs, tend to be confronted with the perennial problem of achieving democratic legitimisation, for example through public campaigns. Strengthening the involvement of trade unions in the governance of sustainable development processes, such as the SDGs, can help to overcome some of the shortcomings of mainstream human rights discourse and practice and to respond to the need for effective bottom-up influence in partnerships and governance (for example, in relation to SDG17).

CHAPTER 4
CONCLUSION AND WAY FORWARD

Simone D. McCourtie/World Bank – A woman raises her hand to speak at a community meeting in Aurangabad.

This issues paper has referred to specific examples of the role that social dialogue can play in working towards a more inclusive and sustainable world, both by contributing to particular goals and by providing a governance framework that brings together government, employers, workers and, in certain cases, an even broader cross-section of stakeholders. The paper is not exhaustive in its analysis, but has selected findings from key sources with a view to exploring the social dialogue–sustainable development nexus.

Social dialogue offers specific and tested tools for translating into practice key principles of the Development Effectiveness Agenda, especially through the emphasis that it places on democratic ownership, inclusiveness and accountability. There is also strong evidence that social dialogue offers an excellent approach to addressing collective action problems in relation to labour and other issues, something that very few other governance systems have achieved up to now.

What emerges from a review of the literature is that social dialogue is a mechanism that can play a role in different contexts, from stimulating economic growth and redistribution in developed economies to contributing to reconciliation and confidence-building in fragmented societies. Some of the roles played by social dialogue are well-tested and documented, while others are still emerging. Howeever, little is known about the underpinning success factors and how to nurture these roles successfully.

There is a need for an ambitious interdisciplinary research agenda to start to address some of the key knowledge gaps that are preventing social dialogue from achieving its full potential in promoting sustainable development. In addition to a better understanding of how social dialogue works in different contexts and settings, greater efforts should be made to examine how the necessary preconditions can be established through targeted support efforts designed to improve the effectiveness of social dialogue in contributing to sustainable development.

This paper was one of the inputs at an international workshop aimed at furthering the role played by social dialogue in sustainable development. The workshop was organised jointly by the ITUC and the ILO in Brussels on 17 and 18 November 2016. The two days of exchange and reflection involved policy-makers, experts, donor representatives and academics. The discussions covered the relationship between social dialogue and sustainable development, and identified elements for a future research agenda.

Some of the key research questions emerging from the exchanges relate to:

- *Informal economy* – What strategies are effective in extending the coverage of social dialogue to workers in the informal economy?
- *Fragile States* – What are the most appropriate and realistic forms of social dialogue for settings in which the preconditions for successful social dialogue are only weakly present? How can the necessary preconditions for social dialogue be nurtured without requiring complex and unrealistic institution-building exercises?
- *Global supply chains* – How can the capacity for social dialogue at the supra-national level be strengthened, for example through regional groupings, such as SADC and MERCOSUR, or through other international structures?

- *Social dialogue and sustainable development* – How can the impact of social dialogue on sustainable development be mapped most effectively? Could the framework based on the five thematic areas and three principles described in this paper be operationalised as a basis for a monitoring and evaluation framework?

Different research questions require differing methodologies, institutes and stakeholders. At the same time, based on the growing recognition that there is no single model for social dialogue, and that it needs to be adapted to the local context and to take into account historical patterns of labour relations, calls were made during the workshop for specific types of research to inform policy and practice. Case studies and types of action research were considered to be particularly appropriate research methodologies.

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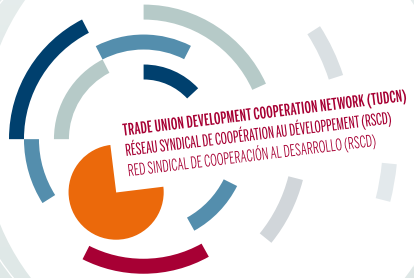

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