

Sida's Work on 'The Social Dialogue'

***Presentation and discussion of
Sida's report to the Government***

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The Task: The Social Dialogue

Report how Sida works to promote:

- 1) The social dialogue – dialogue between labour-market actors: labour/employees and enterprises/employers, plus the government/state – in rel. to government Global-Deal initiative
- 2) Strengthening the right to organise and to collective bargaining for employee and employer organisations
- 3) Improved working conditions and voice for those employed in the informal economy

Also: Lessons learned and opportunities to further develop Sida's work

Method

- Included: improved (decent) working conditions and voice of employed also in formal economy
- Focus: support explicitly or directly aiming at 'The Social Dialogue'
- Not clearly defined area in Sida's systems – limits reporting change over time and accuracy -> estimations
- Broad collection of quantitative and qualitative data within Sida, and dialogue with partners at global, national and local level
- Described and analysed from a development and development-cooperation perspective
 - In relation to overall goal: SDG1/poverty reduction
 - Specific and varying development contexts and conditions

The Economic-Development Context

- Inclusive economic growth, productive employment and decent work
- Economic development and structural change
 - Sub-Saharan Africa vs. Asia, Europe and Latin America
- Structure of labour market and employment
 - Informal vs. formal economy and employment ->
 - Agriculture vs. manufacturing industry
 - Wage employed vs. self employed
 - Un-employment vs. under-employment
- Degree of organisation of the labour market

Informal Employment as Share of Non-Agricultural Employment (2004-2010)

Region	Average Share Informally Employed (%)	Range of Share Informally Employed (%)
South Asia	82	62 (Sri Lanka) – 84 (India)
East and Southeast Asia	65	42 (Thailand) – 73 (Indonesia)
Sub-Saharan Africa incl. South Africa	66	33 (South Africa) – 90 (Ghana)
Sub-Saharan Africa excl. South Africa	82	
Latin America	51	40 (Uruguay) – 75 (Bolivia)
Middle East and North Africa	45	31 (Turkey) – 57 (West Bank & Gaza)

Strategies and the Strategy Process

- 16 strategies with explicit sub-goals – many new
 - 9 bilateral, 1 regional, 3 global, 3 organisational + more expected
- Most: contribute to inclusive growth/poverty reduction as part of broader support for employment
 - 2 contribute to Demo/HR
- Improved/decent working conditions common – not for informally employed (neither by Sida)
 - Risk: biased focus on results for employed in formal economy, despite dominance of informally employed in partner countries, their particular vulnerability & importance of their inclusion for poverty reduction
- Sub-goals enter late in strategy process – Mocambique and Rwanda despite not assessed relevant or prioritised
 - Risk: poor results if strategy goals not adapted to specific country conditions

Sida's Approach to Employment

- Employment a means for inclusive growth and poverty reduction
- Broad, combined & varied approach, adapted to complexity & country context
- Focus sectors/labour markets of relevance for many poor, incl. women & youth – productive employment
- Demand & supply side: PSD, markets/value chains, skills development/employability, productivity/value addition
- Labour market functioning: matching, statistics/analysis/information, social dialogue/industrial relations
- Labour rights: to income, organise, collective bargaining, decent working conditions, of migrants, against child labour

Estimated Total Portfolio of Contributions to The Social Dialogue

Department/ Level/ Region	Number of Agreed/ On-going Contributions	% of Total Number of Contri- butions	Value of Contributions (SEK)	% of Total Value
Global	16	40	1 457 812 639	66
Africa	10	25	401 723 351	18
HumAsien/Asia incl. MENA	11	28	301 734 200	14
EuroLatin/Europé & Latin America	3	7	56 269 371	2
Total	40	100	2 217 539 561	100

Nature of Contributions

- **Global Level** – dominates size of portfolio (66% of total value)
 - Sw. civil society org./Sidas ramorg. – U2U & OPC 1/2 global, 1/3 of total
 - ILO (3-partite) partnership programme – broad incl. core support
 - WIEGO – only explicit support to employed in informal economy
- **Regional Level** – limited so far
 - Expected to grow as recently included in strategies
 - Ex: Swedish Workplace HIV/AIDS Progr. in SSA by NIR: social dialogue as tool
- **Country Level** – majority of interventions, mainly Asia & Africa
 - Explicit/direct interventions rather new, mainly Asia: Innovative PSC on IR – Bangladesh, Cambodia, Ethiopia, soon Myanmar – e.g. PPDPs (H&M, IF Metall, ILO & Sida)
 - Africa: 1) largely part of broad employment agenda w. focus productive employment 2) indirectly in market developm. agriculture & informal economy (not included here)

Lessons Learned:

On Context of The Social Dialogue

- Conditions differ widely between countries w.r.t. economic development, economic structure and degree of formalisation
- Degree of organisation varies; Industrialisation does not imply organisation; Employee and employer organisations tend to be weak
- Trade unions are reported not always to work well or represent their members
- Increased pressure on labour unions to discourage right to organise and collective bargaining
- Organisation and formalisation of labour market in Africa (SSA) differs widely from Southeast Asia, partly due to dominance of agriculture and poorly developed manufacturing

Lessons Learned: Supporting The Social Dialogue

Overall Lesson

- For poverty reduction support for The Social Dialogue must be adapted to specific context

Partnerships, Platforms & Sida as Facilitator

- Global goals possible starting point for innovative partnerships among many different actors
- SLSD example – network of leading companies, expert organisations, Swedfund and Sida to promote good leadership for sustainable development
- Sida's role to create platform for dialogue and as facilitator proved useful
- Lessons from SLSD for partnership platform to work:
 - Good relations, respect for and understanding of each others' roles - precondition for partnership
 - Careful identification of common interests – core of partnership and necessary for collaboration
 - Partnership requires reciprocity, open-minded approach and pro-active work process
 - Good relations take time to develop and resources to nurture – decisive for achievement of results

Lessons: PPDPs & Social Dialogue as Method

- PPDPs require time-consuming investment in relationships between actors with different cultures & practices
- ILO central as implementing partner – unique role for social dialogue but internal rules & conflicts may complicate
- Role of PS considered vital for knowledge, resources & incentives for social dialogue among partner-country suppliers – not least its own business interest
- Social dialogue holds potential as method for collaboration on various goals – but building trust takes time & long-term venture
- Perceived potential of social dialogue to contribute to comprehensive social change, through collaboration between truly representative organisations & government – practicing a democratic process

Lessons: Support at/through Global Level

- ILO increasingly demanded as partner in LDCs – but its capacity & systematic learning varies
- Work with trade unions benefits from the global trade unions, for synergies & management of threats
- At national level, most effective when work at grass-root level linked all the way up to national trade unions
- Multi-level work is more effective & creates synergies
- National-level institutional frameworks create basic conditions for labour rights & collective bargaining at different levels of labour market
- Gender equality reported as big challenge within labour-unions

Support at National Level in Poorest Countries

- Particularly important understand informal economy & employment
- If only applied to formal – risk focus minor group of relatively better off employees
- Sida implicitly supports informal economy and agriculture – but uncertainty what SD means & how to apply there
- Needs expressed by informally employed can serve as guidance (WIEGO)
- All aspects of SD can be supported in informal economy – but other organisations, social dialogue & working conditions – need to broaden concept
- Integrating DW Agenda into M4P approach – potential method
- ILO lessons: Which DW aspects most neglected & priority to address for working poor depends on specific context – may be income level

Summary

- Sida's portfolio significant – combines variety of different interventions at different levels with different approaches: adapted to specific and varying contexts
- Expected to grow in future – with operationalisation of new strategies: expect broader geographical coverage and regional interventions
- Two large interventions expected to continue dominate volume – growing portfolio reason reconsider its strategic composition to ensure poverty reduction
- Present many lessons learned – from analysis & collected – on context, support, and adaptation of support to context

Conclusions on The Social Dialogue

Large & growing portfolio & strong position in many strategies requires systematic and strategic approach to support, which needs to be:

- 1) Adapted to specific and varying contexts – level of economic development & labour-market structure – based on solid knowledge and analysis
- 2) Adjusted & shaped to best promote poverty reduction – start from & adopt poverty perspective
- 3) To reach large groups of poor & most vulnerable employed: need to ensure reaching informally employed – also self-employed – within informal economy, and
- 4) Complement/integrate with broader approach to employment – notably productive employment to raise incomes above poverty level

Strategic Support in Different Contexts

Low level of development & poorly diversified, low-productivity agriculture & large informal employment:

- 1) First raise incomes for informally employed: increase productivity of working poor to promote productive employment & decent working conditions – VCs, markets, skills
- 2) Complement with support for The Social Dialogue broadly to informally employed
 - Integrate DW agenda into inclusive market-systems (M4P) approach
 - Direct support to informally employed – rights, conditions, organisation, bargaining
 - Opportunities for PSC to develop agricultural VCs – benefit smallholders/organisations

Industrialisation initiated, important groups of poor employed in the formal economy:

- 1) Support for The Social Dialogue in formal economy – notably manufacturing – can be more effective means for working poor
- 2) Complement with:
 - Informally employed by formal enterprises – under-suppliers, home workers
 - Broader support for employment, notably productive employment for income generation

Opportunities to Further Develop Work

- Continue build on ongoing work & lessons learnt so far
- Deepen knowledge & develop working methods
 - 1) PPDPs within IR to strengthen systemic change
 - 2) Apply M4P to DW agenda
- Adopt a strategic approach adapted to different contexts
- Combine & integrate into broader employment agenda
- Continue strengthen dialogue & collaboration with partners through networks & platforms
- Engage in dialogue with partners on importance to
 - 1) Adapt to specific & different contexts
 - 2) Apply poverty perspective
 - 3) Support The Social Dialogue also in informal economy
 - 4) Adopt broader employment approach - also productive employment