

<u>Key intervention</u>: Advocating for social dialogue as a governance tool for promoting social justice

Thematic area c	of	Reinforcing institutions of social dialogue
the Coalition		Partners' efforts in this thematic area aim to promote effective governance, build trust and foster social cohesion. Work under this area seeks to strengthen collaboration and consensus-building among governments and workers' and employers' organizations through social dialogue, notably on renewing the social contract and on improving policy coherence in domestic and international action promoting social justice.

1. Background and context

The planned intervention prioritizes knowledge dissemination and advocacy action to be supported by ILO data and evidence-based research, contributing to the promotion of social dialogue at national level and support the ILO's outreach in the multilateral system.

In developing and implementing this intervention the core theme will be: "making a strong case for social dialogue". This is in line with the ILO Governing Body's discussion at its October–November 2024 session on the <u>implementation of the revised plan of action on social dialogue and tripartism for 2019–23</u>, where it called upon the Office to expand its knowledge base on social dialogue and its results/impacts.

To structure and amplify this work, the Office proposes to seize the momentum created by the 2024 Economic Nobel Prize awarded to the work by Daron Acemoglu, Simon Johnson and James Robinson on the pivotal role of inclusive societal institutions in shaping its long-term economic prosperity.

The authors demonstrated that inclusive institutions – such as those that enforce property rights, protect democracy, limit corruption as well as provide political rights and participation in decision-making – foster economic development through generating incentives for investment, risk-taking and innovation as well as fairer distribution of development gains. This is because institutional frameworks are shifting the distribution of political power, serving as a more durable commitment to creating opportunities, continuing redistribution and resolving the credibility problem.

When institutions are defined as "[...] the rules of the game in the society or, more formally, are the humanly devised constraints that shape human interaction",¹ their role is instrumental in renewing the social contract in a way that enhances rights and capabilities, provide opportunities, strengthen resilience through various transitions with an ultimate objective to achieve social justice and decent work. The institution of social dialogue, together with other institutions described by Acemoglu, Johnson and Robinson, is the time-tested ILO constitutional and operational model that sets the "rules of the game" on the labour market.

¹ Douglass C. North, *Institutions, Institutional Change and Economic Performance* (Cambridge University Press, 1990).



This hypothesis is in line with the 2030 Agenda which also embraces a human-centred approach to economic development that is inclusive of all groups of society and reinforces a wider sense of social justice. Such sentiments echo the ILO Declaration of Philadelphia, which calls for a world of work that can ensure "a just share of the fruits of progress to all". The principle of inclusiveness deserves renewed and reinvigorated emphasis, and this is why it is central to the ILO Centenary Declaration for the Future of Work and is now a major strategic focus in the ILO's "positive agenda for reducing inequalities" called for in the <u>Conclusions concerning inequalities and the world of work</u>.

2. Collective ambition and rationale

This intervention seeks to strengthen social dialogue by (a) generating advocacy material on social dialogue institutions and processes, and (b) disseminating relevant data and knowledge – with both objectives aimed at fostering a shared understanding of the value of social dialogue as a governance tool for promoting social justice. This knowledge and advocacy material is expected to foster inclusive and informed discussions, supporting trust-building among governments, employers and workers, both at the national level and within the multilateral system.

Specifically, at national level, partners will use social dialogue processes as well as multi-stakeholder dialogues, to promote shared social justice objectives, driving consensus-based solutions across topics and sectors. At the multilateral level, through outreach and communication efforts within the UN system and beyond, partners will highlight the benefits of effective and inclusive social dialogue in socio-economic policymaking.

At both levels, emphasis will be placed on the enabling conditions for effective and inclusive social dialogue, including the importance of freedom of association and the effective recognition of collective bargaining rights as essential enablers for advancing social justice, strong, capacitated and independent employers' and workers' organizations, and political will by all parties to participate in social dialogue and follow-up on its outcomes in good faith.

Placing this intervention under the Coalition is likely to amplify the ILO's action in the promotion of social justice notably through advocating for social dialogue as a means for:

Shaping social, economic and labour policies in order to attain SDG 8 on promoting labour rights, while contributing to achieving several targets under other SDGs. As a distinctive pillar of the Decent Work Agenda, social dialogue can fill in labour protection gaps (especially for vulnerable groups); tackle inequalities (notably income inequality); facilitate wage determination (such as through minimum wage fixing machineries for determining and periodically reviewing and adjusting minimum wage rates); shape national employment policies and policies on vocational education and training and on skills enhancement; and promote an enabling environment for sustainable enterprises and job creation, including through safe and productive workplaces.



Renewing the social contract, which is fundamental to the ILO's objective of promoting social justice,² as it services all three of the foundations for a renewed social contract identified in the United Nations Secretary-General's report <u>Our Common Agenda</u>: building trust between people and institutions; ensuring inclusion, protection and participation; and measuring and valuing what matters to people and the planet.

3. Actions and expected results

The proposed intervention consists of two interconnected cluster of actions (to be further specified at a later stage together with the partners):

- a) ILO research presenting good examples of how social dialogue institutions and processes both formal and ad hoc- contribute to building more equal and prosperous societies The analysis would examine how social dialogue is a key tool that supports the establishment and functioning of strong institutions by promoting the rule of law or democratic participation. Building such a case may facilitate a better understanding of the properties, functioning, and added value of social dialogue and its institutions among the multilateral system partners.
- b) This ILO research, complemented by existing ILO databases, will support advocacy action to illustrate the different paths of social dialogue institutionalization in different countries, pointing out strengths and weaknesses of institutions in terms of organizational capacity, agenda effectiveness, problemsolving influence, follow-up mechanisms, and others, as well as conditions in which social dialogue reaches its maximum potential and contribution to sustainable development.

4. Partners' contributions

Partners will be asked to amplify and contribute to the above knowledge and advocacy material, notably through national and international level platforms aimed at the exchange of good practices. In particular, this intervention will (a) leverage the convening power of global and regional networks (such as the International Association of Economic and Social Councils and Similar Institutions – AICESIS), to promote shared social justice objectives, driving consensus-based solutions across sectors at national level; and (b) generate opportunities for advocating for social dialogue and engagement of the social partners in UN processes and more broadly within the multilateral system.

 ² ILO, 2023. Advancing Social Justice: Report of the Director-General. ILC.111/I(A)(Rev.). https://www.ilo.org/resource/conference-paper/ilc/111/advancing-social-justice.
² ILO, 2024. Towards a Renewed Social Contract: Report of the Director-General. ILC.112/I(B). https://www.ilo.org/resource/conference-paper/towards-renewed-social-contract-report-director-general.