

BY SUMUDU CHAMARA

Recently, discussions have been held between the government and the International Labour Organization (ILO) with a focus on the role of a social dialogue in Sri Lanka's economic recovery.

According to media reports, several initiatives have already been taken to engage groups contributing to the economy – such as workers, youth and women – in workplace dialogue mechanisms and economic decision-making processes, while steps focused workplaces are also a part of these efforts. The development of a data-driven, cloud-based platform titled the “National Database on Industrial Disputes” has also been discussed with the aim of improving monitoring and resolution of labour disputes.

Benefits and necessity

According to economic researchers, in a context where global challenges – such as the ongoing Middle East conflict which has had significant impacts on global oil supply – it is crucial for Sri Lanka to have a social dialogue on the economy, including with those contributing to the economy.

University of Colombo Business Economics Lecturer and Ceylon Foundation for Economic Policy-Analysis Chairperson Pasan Wijayawardhana told *The Morning Money* that there are three major reasons as to why such a social dialogue with diverse groups is needed in order to rebuild the economy.

According to him, building policy ownership and legitimacy is a key reason, regarding which he added that when the government is taking certain economic policy decisions, such as tax adjustments or increasing utility prices, it is important to work with the relevant parties from the general society, policymakers, young people, independent researchers and trade unions, so that they will also feel a sense of ownership of the final decision.

“According to the ILO, of the countries that utilise social dialogues during economic crises, 81% of their recovery measures achieve higher consensus and smooth implementation compared to those that bypassed it,” he added.

The global trend analysis on the Role of Trade Unions in Times of Covid-19 revealed that 108 out of 133 countries, or 81%, used social dialogue in response to the pandemic to achieve a consensus on targeted measures to protect workers and enterprises.



SOCIAL DIALOGUE

People in economic decision-making



▲ United Federation of Labour President and attorney Swasthika Arulingam

He added that another key reason is that social dialogues can enhance resilience through workforce diversity: “We need the involvement of informal sector workers because 60% of Sri Lanka’s workforce is made up of the informal sector. We need to listen to their voice – if they can give suggestions to policy makers, policy makers will know about ground-level scenarios and will take decisions based on those work environments as well.”

The third reason is the potential to reduce disruptions: “If there is a platform to listen to workers, protests and strikes will definitely be minimised.”

Meanwhile, United Federation of Labour President and attorney Swasthika Arulingam pointed out that although the decisions that resulted in the debt crisis that Sri Lanka is dealing with were not taken by ordinary people or the country’s workforce, ultimately, the burden of this crisis has been placed on them. In such a context, she added, those parties should also be given an opportunity to voice their concerns in economic decisions.



▲ Ceylon Foundation for Economic Policy-Analysis Chairperson Pasan Wijayawardhana

“Even when it comes to labour law reforms, people are not consulted and unions are not consulted properly. It is not happening even now,” she expressed concerns while speaking to *The Morning Money*.

Implementation: challenges and opportunities

While the above mentioned efforts present a good opportunity, according to those who spoke with *The Morning Money*, there are several matters that need to be taken into account to ensure positive outcomes.

Arulingam explained that according to the ILO, a social dialogue cannot take place between unequal parties: “So in the ILO language, social dialogue means a dialogue between the employer and trade unions, rather than between the employer and the workforce which has been trade unionised. Or, in a national context, it can also mean a dialogue between the employer, a trade unionised workforce, and the government.”

She expressed concerns that in some sectors, unions are not allowed to form by and large, and that the government is not taking proactive steps in

According to the ILO, social dialogue is instrumental in achieving several Sustainable Development Goals (SDGs) including:

- ▶ **SDG 8:** Decent work and economic growth
- ▶ **SDG 10:** Reduced inequalities
- ▶ **SDG 16:** Peace, justice, and strong institutions

encouraging workers to unionise. She opined that in this context, she does not believe that a social dialogue is possible in an unequal environment.

The ILO says: “Effective social dialogue between governments, employers and workers’ organisations is essential for advancing social justice, fostering inclusive economic growth, improving wages and working conditions, and supporting sustainable enterprises. As a cornerstone of good governance, social dialogue creates the conditions necessary to achieve decent work for all while promoting social peace, stability, and effective labour market governance.”

Meanwhile, Wijayawardhana pointed out several challenges and limitations concerning the implementation of this initiative. He added that trust deficit could be a challenge as years of polarised politics have created a barrier between the state and trade unions. Informal sector exclusion is another limitation. When most of the social dialogues take place through formal platforms, he added, the informal workforce may not receive the same opportunities in these processes. In addition, given that Sri Lanka has a high number of politically affiliated unions, fragmented unions also remain a challenge.