GLOBALIZATION, VALUES and the ILO

Creating opportunities for all

Presentation by Janelle Diller, ILO
North-South imbalance - unfair rules in trade and FDI
- Trade: Despite liberalization, expansion did not occur uniformly
- Barriers to market entry for certain products of poor countries
- FDI highly concentrated in about 10 developing countries despite efforts by many to seek to attract FDI

Capital & goods move more freely than labour & knowledge
- Imbalances in macro-economic environment that influences trade and FDI patterns
- Disparities in enterprise competitiveness and labour markets
• Uneven distribution of growth across countries, both industrialized and developing - from 1985 and 2000

• Widening income gap between countries:

GDP per capita in the poorest and the richest countries, 1960-62 and 2000-02 (in constant 1995 US$, simple averages)
Imbalance in Job Opportunities

- Open unemployment increased worldwide in past decade

Self-employment increased in all developing regions except East and South-east Asia – informal economy proxy
Imbalance in Income Equality and Poverty Reduction

• Growing income inequality
  – increased gap in some industrialized countries and large majority of other countries: mid 1980’s - mid-90’s
  – significant decline in absolute poverty 1990 to 2000
  – Note: much of improvement in China and India; increases in sub-Saharan Africa, Europe/Central Asia, Latin America/Caribbean

GAINS - people with capital, other assets, education and skills; associated with MNEs, competitive national enterprises

LOSSES - people in uncompetitive enterprises or without skills or assets, small/informal producers, indigenous peoples, certain women
CORRECTING THE IMBALANCE

World Commission on the Social Dimension of Globalization

- A cross-roads for debate world-wide: *how to build a fair globalization and reduce poverty and inequality*

- Diverse representation of countries and interests

- Broad mandate authorized by ILO: *to review impact of globalization & recommend ways to meet people’s needs*

- Inputs from different actors and interests around the world

- Report with findings by end February 2004

- Invitation to all, including ILO, to act on proposals
World Commission on the Social Dimension of Globalization

• Imbalance of priorities between social goals and economic goals impedes fair globalization within and across countries

• Communications revolution
  – Raising global awareness of imbalance
  – Increasing global interconnectivity
  – Facilitating shared values

• Universally-shared values key to fair globalization
  – Respect for human rights and individual dignity
  – Democratic governance and shared responsibility
  – Opportunities for decent work/life for all countries and peoples
ILO Values and Globalization

- Decent work value is vital to fair globalization
  - Only secure way out of poverty
  - Key to redistribution of economic and social power
  - Guarantee of social stability and peace

- What is « decent work »?
  - work in freedom, dignity, and security
  - four key pillars based on shared values
    - rights at work
    - more and better jobs
    - social protection
    - social dialogue
CORRECTING THE IMBALANCE

• In principle:
  – Fair rules for global economy: equity with diversity
  – Coherence between mandates within international system
  – Decent work at heart of international rules and policies for markets and society
CORRECTING THE IMBALANCE

• In practice:
  – More accountable institutions: national and international, public and private
  – Better monitoring and research tools: measuring and reporting on the impact of globalization
  – Coherent international policies on cross-cutting priorities: jobs and poverty, gender inequality and empowerment, mainstreaming the informal economy, and protecting core labour rights
 IMPLEMENTING ILO VALUES

• ILO mandate - Social justice through decent work
  – Distinct and necessary role within international system
  – Congruent with ultimate aims of other international organizations

• Mandates of all international organizations
  – *in principle*: interpret in harmony with each other
  – *in practice*: apply in ways that respect human rights and international obligations of States
World Commission on the Social Dimension of Globalization

IMPLEMENTING ILO VALUES

• All human beings have right to pursue their well-being in conditions of freedom and dignity, of economic security and equal opportunity

• Achieving conditions in which this is possible must be central aim of national and international policies; all policies should promote and not hinder achievement of this objective

• ILO must examine all international economic and financial policies in light of this objective, and make appropriate decisions and recommendations

- based on 1944 Philadelphia Declaration, Annex to ILO Constitution
Globalization and Values:

SHARING RESPONSIBILITY

• WHO?
  – Governments, parliaments, international organizations, business,
    labour, civil society, NGOs

• HOW?
  – Participation in decision-making
  – Coherence between economic and social policies
  – Accountability for cross-border effects of national policies, and of
    national positions in international fora

• WHAT?
  – Joint research: measuring the effects of international policies
  – Dialogues: policy making to put people’s needs first
  – Mechanisms to monitor and evaluate impact of globalization
Globalization, Values and ILO

NEXT STEPS

• Put decent work and other social goals at the heart of international and national policy-making
  – national reviews of social effects of economic policies
  – world-wide inputs to a regular report on globalization

• Focus dialogues to build needed multilateral frameworks
  – managing cross-border movement of people
  – corporate social responsibility in a fair globalization
  – employment, development and foreign investment
  – strengthening social protection in the global economy
GLOBALIZATION, VALUES and the ILO

Creating opportunities for all
Implementing values
Sharing responsibility