

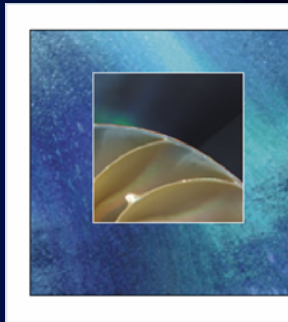
# GLOBALIZATION, VALUES and the ILO

Creating opportunities for all

Presentation by Janelle Diller, ILO

# Current Trends in Globalization

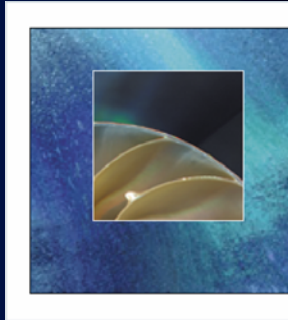
## IMBALANCE



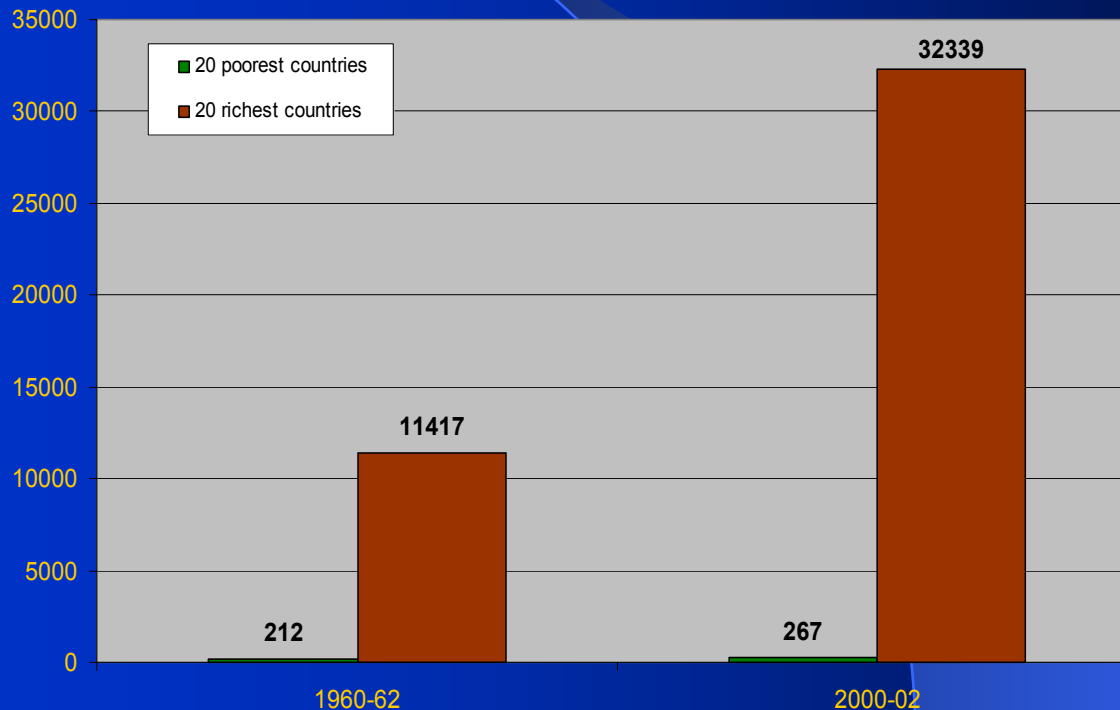
- **North-South imbalance - unfair rules in trade and FDI**
  - Trade: Despite liberalization, expansion did not occur uniformly
  - Barriers to market entry for certain products of poor countries
  - FDI highly concentrated in about 10 developing countries despite efforts by many to seek to attract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

# Imbalance in Growth

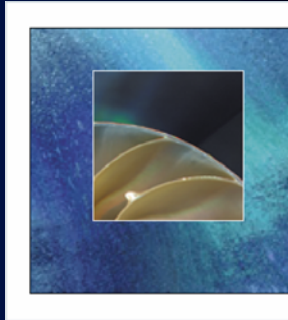
- Uneven distribution of growth across countries, both industrialized and developing - from 1985 and 2000
- Widening income gap between countries:



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

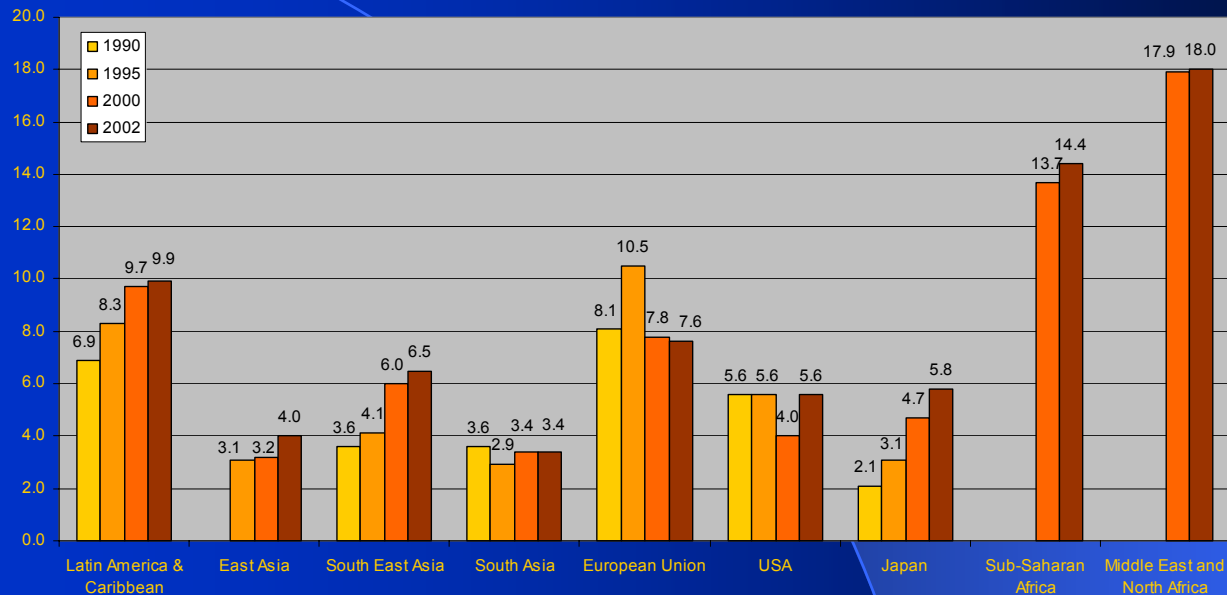


# Imbalance in Job Opportunities



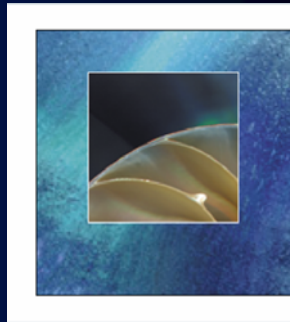
- Open unemployment increased worldwide in past decade

Open unemployment rates for various regions of the world, 1990-2002 (in per cent)



- Self-employment increased in all developing regions except East and South-east Asia – informal economy proxy

# Imbalance in Income Equality and Poverty Reduction



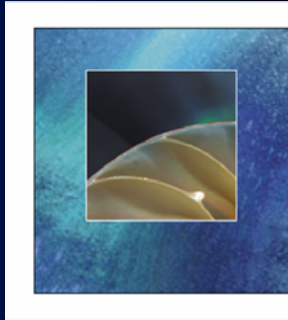
- **Growing income inequality**
  - increased gap in some industrialized countries and large majority of other countries: mid 1980's - mid-90's
  - significant decline in absolute poverty 1990 to 2000
  - Note: much of improvement in China and India; increases in sub-Saharan Africa, Europe/Central Asia,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

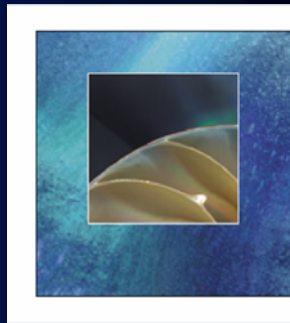
# CORRECTING THE IMBALANCE

## 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

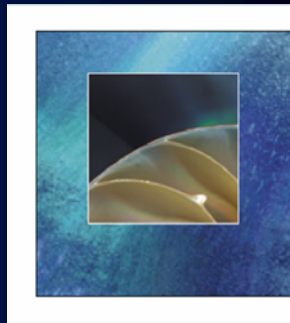
# World Commission on the Social Dimension of Globalization



- 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

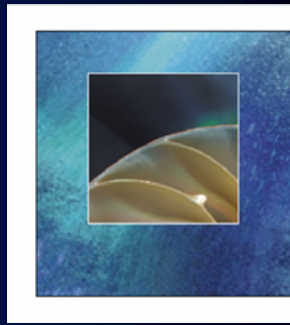
## Values and Globalization



- 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



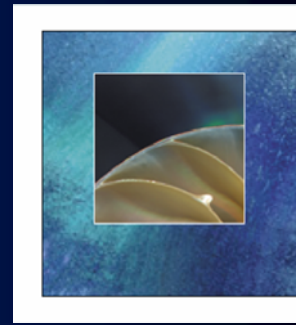
# World Commission on the Social Dimension of Globalization



## 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

# World Commission on the Social Dimension of Globalization

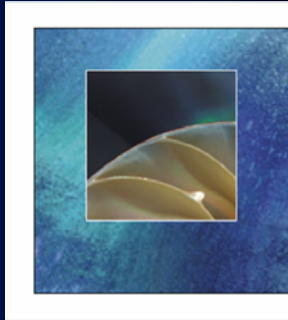


## CORRECTING THE IMBALANCE

- 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

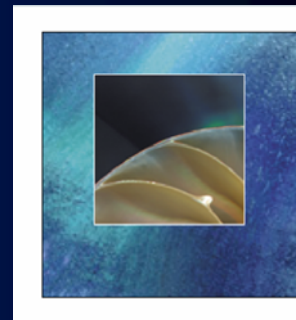
# The Social Dimension of Globalization

## 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



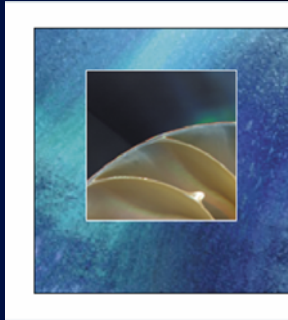
## IMPLEMENTING ILO VALUES

- 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

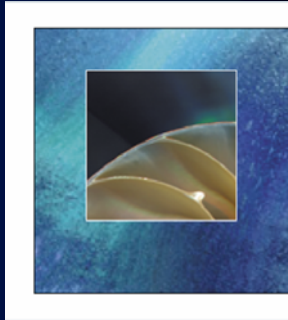
# Globalization and Values:

## SHARING RESPONSIBILITY



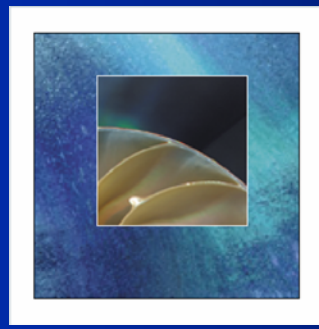
- *WHO?*
  - Governments, parliaments, international organizations, business, labour, civil society, NGOs
- *HOW?*
  - Participation in decision-making
  - Coherence between economic and social policies
  - Accountability for cross-border effects of national policies, and of national positions in international 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