Decent Work in the Global Economy

Discussion paper No. 1

3. Tackling the Issues ........................................................................................................ 2
   3.1 The ILO Programme on Decent Work in the Global Economy ............................. 2
       The first objective: employment for all women and men ...................................... 2
       InFocus: Small and medium enterprises ............................................................... 3
       InFocus: Skills, knowledge and employability ...................................................... 3
       InFocus: Crisis response and employment intensive investment .......................... 4
       The second objective: promoting human rights at work ...................................... 4
       InFocus: The Declaration on Fundamental Principles and Rights at Work .............. 4
       InFocus: Child labour .............................................................................................. 5
       The third objective: protection and security .......................................................... 6
       InFocus: Safe work .................................................................................................. 6
       InFocus: Social and economic security ................................................................. 7
       The fourth objective: promoting social dialogue .................................................. 7
       InFocus: Institutions and capabilities for social dialogue ...................................... 8

3.2 Institutions to promote decent work in the new global economy ....................... 8
   What are the options? ................................................................................................. 9

3.3 Decent work and normative action .......................................................................... 10
   Normative action and the meaning of decent work ................................................. 11
   Normative action and achieving decent work in the global economy .................... 12

3.4 Decent Work as an Integrated Development Strategy ............................................. 13
3. **Tackling the Issues**

3.1 **The ILO Programme on Decent Work in the Global Economy**

Decent work is the first step out of poverty and an important stride towards greater social integration. Moreover, access to opportunities for decent work is the most widely shared aspiration of people and their families in all countries. This means that the global economy should provide opportunities for all men and women to obtain decent and productive work in conditions of freedom, equity, security and human dignity. This goal does not need a justification in terms of economic efficiency. But it is important to note that in many ways decent work contributes to economic as well as to social goals, because decent work is usually, in the short or the long run, productive work. Decent work refers to all workers and has an important gender dimension, not least because women are over-represented in low quality or precarious form of work. The increase in women’s employment, and the gradual acceptance of the relevance of work and family issues to men as well, has only rarely been accompanied by deliberate and practical measures aimed at enabling men and women workers to reconcile work and family life. On the contrary, in some countries factors such as longer working hours and less flexibility in schedules, as well as the increase in migration for work, have exacerbated the difficulties for workers to balance work and family responsibilities.

The ILO’s programme on decent work aims at achieving four objectives: employment creation; promoting human rights at work; improving social protection; promoting a social dialogue. These are all areas which are vital for attaining the objectives of poverty reduction, full employment and social inclusion. Within each of these broad goals, critical areas have been selected for concentrated attention in International Focus Programmes, which aim at raising the capability of the ILO’s constituents - governments, employers and workers in all countries - through better understanding of the economic and social mechanisms involved, the development of new instruments and support to national and international efforts through advocacy, institution-building and technical cooperation.

**The first objective: employment for all women and men**

Spreading the benefits of globalization more widely will depend, perhaps more than anything else, on the capacity of the global economy to create good quality jobs, and to reduce unemployment. Employment is the key for creating wealth, and is the primary instrument for distributing it equitably. It is the first and most important step in the struggle against poverty and social exclusion. The failure of globalization to deliver a steadily increasing number of productive and remunerative jobs throughout the world requires urgent priority attention. As shown above, this failure is the result of a combination of inadequacies in international and national policies. International policies are required to reduce economic instability and counter the growing inequality associated with globalization. National policies are required to tackle the consequent short term and long term job losses, and to provide the institutions and incentives which can support sustainable job creation.

The centrality of employment in policy formulation means that a comprehensive strategy to deal with the employment problem is a central objective for the ILO. It requires the creation of a macroeconomic climate that is conducive to enterprise and job creation, policies for economic growth and technological change that maximize employment creation, and labour market and training policies that facilitate the insertion or reinsertion of workers into productive work. Within this comprehensive and multifaceted approach, three major programmes are presently being highlighted: on small and medium enterprises, on skills and knowledge, and on response to crisis and employment-intensive investment.
InFocus: Small and medium enterprises

Three major points emerge from the analysis in section 3 of changing production systems in the global economy: that most jobs are now being created in small and medium enterprises, many of them informal in organization and operation; that in the global economy, international linkages between small and large firms are increasingly important; and that the key issue is employment quality.

If small enterprises are to contribute effectively to job creation they clearly have to be viable and productive. More attention needs to be given to the most suitable programmes to improve the policy, regulatory and institutional environment to stimulate and facilitate small enterprise development. Conditions of employment in many small enterprises are notoriously bad, because they are generally beyond the scope of trade unions or labour inspectorates. The owners and managers of small enterprises, therefore, need to have access to advice and technical cooperation on the different ways in which improved job quality, training and working environment can contribute to increasing enterprise productivity.

The ILO’s Programme aims to expand employment in this sector through enterprise creation and growth, improve the quality of jobs in small enterprises, ensure that gender concerns in small enterprise development are mainstreamed, and promote business networking and representation in small enterprises. It will not only deal with small formal enterprises, but will also develop a constructive attitude towards the informal economy: for instance the removal of unnecessary regulatory obstacles to informal activities, improved access to credit, skills, technology and other means of raising the productivity and viability of informal activities, extension of appropriate forms of representation and organization, and the progressive introduction of some basic forms of labour and social protection.

InFocus: Skills, knowledge and employability

Investing in knowledge and skills is increasingly regarded as critical for tackling employment problems. The globalization of economies and the onset of the information society have boosted the possibilities of access to information and knowledge, but at the same time have changed the nature and content of jobs and the ways that skills are learned and applied. There is, consequently, a need to adjust flexibly and effectively to job and even career changes perhaps several times in the course of a worker’s life. There are also implications for the delivery and acquisition of knowledge and skills; for instance, the increasingly critical role of enterprises in providing training, and the individualization of training in the form of lifelong learning.

Many observers believe that investment in learning and training is inadequate in the face of the new challenges. Labour market and training institutions are too sluggish to cope with rapidly changing production systems. Market signals undervalue training, and prevent investment at the level which social goals would justify.

The ILO’s programme in this area aims to tackle three major challenges:

- to identify and measure better what knowledge, skills and abilities are required for enterprises and economies to improve economic efficiency and competitiveness, and for individuals to obtain freely chosen, gainful employment throughout their working lives;

- to ensure that investment in knowledge and skills becomes an instrument for providing satisfying routes into the labour market for everyone, and for promoting gender equality, and for the economic and social integration of currently disadvantaged and marginalized groups, including the disabled, displaced workers, ethnic minorities, the long-term unemployed and others;
• to create the conditions for lifelong learning, so that there is universal access to the renewal and upgrading of skills and the acquisition of new knowledge.

**InFocus: Crisis response and employment intensive investment**

The frequency of economic crises during the 1990s has generated widespread agreement that the international system needs to be better able to deal with such situations. An increasing number of countries is facing different types of crisis, including armed conflicts, natural disasters, abrupt financial and economic downturns and social or political transitions. The programme aims at the development of a coherent and comprehensive capacity to respond in a timely and effective manner to different crises by facilitating the socio-economic reintegration of those most directly affected by crises. The main emphasis of the programme is on employment-related development interventions such as promotion of employment-intensive reconstruction and rehabilitation works, skills and entrepreneurship training, small enterprise development, local economic development and promotion of social dialogue and social protection. As the majority of the people affected by crises tend to be women and children, gender considerations will be prominent in planning programme interventions.

The ILO has extensive experience in designing and implementing *employment-intensive programmes*, and their importance extends beyond crisis situations. Investment in infrastructure accounts for a significant proportion of development expenditure in developing countries, so that the adoption of employment-intensive and local resource-intensive technologies in infrastructure works can also be an important part of a longer term strategy aimed at reconciling economic growth with greater social equity. Labour-intensive investment in productive resources (such as land development, irrigation schemes) or in social services (such as schools, health centres, sewerage, water supply) can be a powerful tool for both job creation and improved access of the poor to basic economic and social infrastructures, and thus for longer term development. The ILO therefore intends to intensify its work in this area through the mobilization of expanded donor support and closer collaboration with other relevant international organizations.

**The second objective: promoting human rights at work**

Human rights at work constitute the bedrock of decent work. There is now a global consensus on a set of fundamental, inviolable rights, which constitute the essential, universal social framework for work and for workers. They concern freedom of association and effective recognition of the right to engage in collective bargaining;¹ the elimination of forced or compulsory labour;² the abolition of child labour;³ and the elimination of discrimination in employment or occupation⁴. Beyond this “social floor” of the global economy, many other rights are widely regarded as essential, while others are priority objectives in the process of raising economic and social capabilities. Indeed, social progress can be measured in terms of the acquisition of a variety of human rights which complement rising incomes and increasingly secure livelihoods.

**InFocus: The Declaration on Fundamental Principles and Rights at Work**

It was the Copenhagen Social Summit which identified the seven basic ILO Conventions on the fundamental rights listed above, and agreed that it was the common objective of the international community to promote their ratification and implementation. In 1998 the International Labour Conference adopted a Declaration on Fundamental Principles and Rights at Work and its Follow-up, which is a decisive step towards universal respect of these
rights, even by countries which have not ratified the relevant Conventions. It has two basic elements:

- it recognizes that all ILO Members (who are also, with very few exceptions, members of the other organizations of the United Nations system) have by their very acceptance of the ILO Constitution an obligation to respect, realize and promote these rights; and

- it provides for a follow-up procedure designed to monitor and encourage countries’ efforts to fulfil this obligation. Moreover it explicitly rules out the use of the Declaration for protectionist purposes.

The Declaration is an important instrument, because it permits the global community to monitor the achievement of these rights world wide, and at the same time provides not for sanctions or other coercive mechanisms, but for cooperation and assistance in putting them into effect. In the follow-up to the Declaration, resources are increasingly being made available for technical cooperation programmes with this aim. Such technical cooperation includes assistance in legal drafting, legislative and policy analysis and gender analysis to ensure compliance with the provisions of international labour standards, strengthening of labour inspection, and educational and training programmes for government officials and the social partners.

**InFocus: Child labour**

While child labour is one of the issues addressed by the Declaration, it has a particular position among the fundamental rights. Child labour is universally condemned for its obvious adverse effects both on the children concerned and on the societies in which they grow up. It is an issue which is high in the public consciousness. Many aspects of child labour are linked with poverty, and so need to be addressed in a development perspective. But the issue is one which also requires immediate, practical steps in the short term. It is important to develop a consensus around the most effective routes to eliminating child labour worldwide.

An important step towards such a consensus was taken with the unanimous adoption by the International Labour Conference in 1999 of a Convention on the worst forms of child labour (forced labour, sexual exploitation, illicit activity and dangerous work). This new instrument is now the subject of a global campaign, for it highlights intolerable practices which all agree should be eliminated in the shortest possible time. An intensive process of advocacy and support to national efforts to ratify and implement the convention is under way.

This does not reduce the priority of dealing with other forms of child labour, which constitute a major source of inequality, of injustice, and of stunted personal development for both girls and boys. The ILO’s IPEC programme constitutes a major effort to tackle this problem worldwide. In addition to the identification and promotion of a wide range of specific policies, it shows how interventions to end child labour are often best implemented as part of a developmental package, increasing opportunities for parents, supporting alternatives to production methods which rely on children, increasing educational infrastructure and eliminating obstacles to its use.

* * *

These initiatives to promote the observance of fundamental rights and principles at work are of concern not only to the ILO but to the entire international system, because they are of major significance in the context of globalization. First, they will directly hasten the elimination of the most inhumane labour practices such as forced labour and the worst forms of child labour that have outraged the conscience of the international community. They will also provide the enabling conditions for eliminating discrimination in the labour market, including gender discrimination as well as discrimination on other grounds such as race, religion and political opinion. Secondly, by guaranteeing freedom of association and the right
to bargain collectively, they will create the negotiating power necessary for workers to obtain a better share of the benefits of growth in export industries as well as in other sectors of the economy. Thirdly, this countervailing power will contribute significantly to redressing the central problem of an uneven distribution of the economic gains from globalization. Fourthly, they can contribute decisively to wider objectives, such as greater democracy, greater transparency (and hence greater efficiency) in public policies, and better social protection. In all these ways, they can contribute to defusing the potential backlash against globalization, and eliminate an important source of friction that could disrupt further moves to open world markets.

The third objective: protection and security

In this era of globalization a sense of socio-economic insecurity has spread. As shown above, more open economies and liberalized financial markets enhance the risk that financial and economic crises can be transmitted rapidly from one country to another, while industries and jobs may shift rapidly from country to country in line with new opportunities for investment and production. But few developing countries have adequate social protection for workers who lose their livelihoods in this process. In the absence of any formal social protection, workers who lose their jobs are obliged to resort to informal employment or to rely on the extended family for their livelihood, and they and their families are often subjected to great distress.

Beyond the necessity of providing social protection to the victims of financial crises, economic restructuring and other unforeseen circumstances, there remains the broader, long-term problem of providing social protection to the entire population as called for by the Copenhagen Social Summit. In much of the world that remains a very distant goal. More than half the world’s labour force and their families are excluded from coverage by any form of statutory social security protection. The proportion is often higher than 90 per cent in sub-Saharan Africa and South Asia, and ranges from 50 to 90 per cent in most middle-income countries. Most of those excluded work in the informal economy, and even in developed countries there is a disturbing trend towards various new forms of exclusion from social protection. This lack of coverage applies equally to other critical issues such as workplace safety.

InFocus: Safe work

Safety at work is an area which is critical for both welfare and productivity. And it is one which is greatly affected by the increased competitive pressures in the global economy, with a risk, widely recognized and observed, that dangerous production processes will tend to be shifted to countries where regulations are weakest, or that standards will be sacrificed in the search for economic viability. Around the world millions of men and women still work in poor and hazardous conditions. Every year, more than 1.2 million people die of work-related accidents and diseases and more than 160 million workers fall ill each year due to workplace hazards. The poorest, least protected C often women, children and migrants C are among the most affected. Yet globalization need not be synonymous with the deterioration of working conditions and the working environment. On the contrary, successful businesses the world over, in developing as well as developed countries, show that improved working conditions and better safety and health can contribute significantly, often decisively, to business success at the micro level, and to economic success at the macro level. The key to success is effective prevention, an important component of ILO social protection policies and strategies.

Against this background the ILO has launched an InFocus Programme on SafeWork which aims to create worldwide awareness of the dimensions and consequences of work-related accidents, injuries and diseases; to extend effective protection to vulnerable groups of workers falling outside the scope of traditional protective measures; to place the health and
safety of all workers on the international agenda; and to stimulate and support practical action at all levels, including through a global programme of technical assistance. Human suffering and its cost to society, as well as the potential benefits of protection, such as enhanced productivity, quality and savings in resources, will be documented and publicized. As a policy and operational tool, the primacy of prevention as an efficient and cost-effective way of providing safety and health protection to all workers will be promoted.

InFocus: Social and economic security

If there is one demand of people in the new global economy, it is security. But globalization is changing the rules. Systems which provided security in relatively stable national economies no longer do so in a fluctuating global environment. And for those who were excluded from protection before, security is as far away as ever. Radical rethinking is required of the ways in which security, in different dimensions, can be achieved for everyone. That includes security of income and employment, security of representation and of occupation. It means dealing with the present inequalities which are embedded in existing systems of social security and labour protection, notably gender inequality.

The ILO is therefore exploring new ways of promoting socio-economic security as the basis of social justice and economically dynamic societies. It believes that basic security for all is essential for decent work and decent societies, and that such security is essential for sustainable economic development. Creating conditions of basic security is advantageous for employers, who can secure greater cooperation and efficiency, for workers and their representatives, because this is a basic feature of well-being, and for governments, which can obtain greater acceptance for policy changes in other spheres.

Among new possibilities, ways of extending protection to the hitherto unprotected are currently under examination in the ILO. For instance, there are in a number of countries informal micro-insurance schemes which in have proved to be quite effective in providing support to the excluded, and which deserve greater support and recognition from the international community.

The fourth objective: promoting social dialogue

The lack of public support for, and understanding of, the process of globalization is due in no small measure to the absence or the weakness of institutional arrangements for consultation and negotiation with those most directly concerned by the ongoing economic and labour market transformations, that is, the workers and employers. At the root of this problem are the restraints on freedom of association that prevail in many countries. In some there is no real freedom for workers or employers to form organizations at all; in others a single trade union system is imposed by law or there are other restrictions on the right to organize which effectively negate any real freedom. In many other countries there is a lack of positive encouragement for the growth of free and independent trade unions and employers’ associations or a reluctance to accept them as a positive force for developing sound systems of industrial relations and consultative mechanisms on labour policy.

Particularly among developing countries, where globalization has exhibited its most detrimental consequences, social dialogue holds enormous potential. Rather than becoming the victims of global change, the social partners in these countries can be actively engaged in setting and achieving sustainable development objectives. As an important corollary, dialogue should be encouraged with the world’s financial institutions, so that workers’ and employers’ representatives are afforded a say in the future direction of their economies.
InFocus: Institutions and capabilities for social dialogue

The strengthening of the systems and institutions for social dialogue is of central importance for ensuring the social acceptability and thus the sustainability of economic change and restructuring resulting from the process of globalization. A fundamental precondition is to guarantee freedom of association, which is a central function of the ILO. But even when this is guaranteed, it is necessary to promote the growth and build the capacity of genuinely representative organizations such as trade unions and employers’ organizations, to create a legal framework for negotiations and collective bargaining among them, to set up machinery for the prevention and settlement of disputes and to create bodies for tripartite consultation and negotiation. These activities are part of the ILO’s ongoing programmes in this field. They are especially important in countries that have recently emerged from authoritarian political systems to greater democracy, which have little or no experience in free collective bargaining and social dialogue, where employers’ and workers’ organizations are weak or even non-existent, and where an appropriate institutional framework needs to be developed. But even countries which have longer democratic traditions may need to reform their systems and institutions for social dialogue in the light of changes in the economic environment and the characteristics of the labour market. There is no single model to follow; each country and society has to find its own way and develop its own systems in the light of its social and economic conditions and its legal systems and traditions. But all countries can learn from each other, and a worldwide exchange of information and experience on good practices in industrial relations and social dialogue can be of immense practical help.

To this end, the ILO through its recently launched InFocus Programme on Strengthening Social Dialogue is engaged in building up a database of examples of successful models of social dialogue that will be made available to the social partners throughout the world. In addition, the ILO will seek to demonstrate the effectiveness of social dialogue through an applied and practical research programme which includes an analysis of the costs and benefits derived from social dialogue. By measuring the advantages associated with social dialogue in both quantitative and qualitative terms, the ILO will help to build public confidence and trust in these institutions and mechanisms.

3.2 Institutions to promote decent work in the new global economy

As we enter the new century, if we want to secure the benefits of globalization, and ensure that they reach everybody, new frameworks for global governance must emerge. “Governance is the sum of the many ways individuals and institutions, public and private, manage their common affairs”. It is not just government, but involves many actors, and represents the response of society as a whole, through law, through community action, through institutions for representation and regulation. In the new global economy, we must move towards what Klaus Schwab has called “responsible globality”.

Within countries, national systems of governance permit widespread participation, a social floor, a sharing of benefits. Common standards (labour, other human rights, environment) are ensured through the rule of law, or through the sharing of common values. Nations have the means to transfer resources from rich to poor (through progressive income tax, inheritance tax or solidarity through community action or social security). Most countries attempt to reduce inequality of opportunity, for instance through public schooling. And individual women and men are free to move from place to place in search of opportunity. None of this is inconsistent with an effective market place. Indeed, these are the preconditions for the market to exist and function, the foundations of its social legitimacy.

But in the global economy, the mechanisms of regulation and redistribution are weak. The economic mechanisms of the global market generate disequalizing outcomes, unchecked
because national institutions can be by-passed, while comparable global institutions cannot exist in a world of sovereign nations. Yet much economic activity occurs in an international space - indeed, the key characteristic of globalization is that this dimension of economic activity is increasing rapidly. The result is an increasingly unequal pattern of development, and international disparities in incomes, in work and in security which would be regarded as totally unacceptable within countries.

The international community is not bereft of instruments which address these problems. Public resource transfers through international institutions dedicated to development, notably the regional and world banks, as well as much bilateral and multilateral development cooperation, provide one response - but one which generates flows which are small in relation to the magnitude of the problem. Many international institutions and mechanisms have evolved in the course of the 20th century - including, of course, the ILO and international labour standards, a range of global institutions within and outside the United Nations for debate and consensus building, organizations such as the WTO to define the rules of the trading system. Increasingly, non-governmental actors such as trade unions and environmental groups are attempting to occupy the international stage as well. But the pace of development of the global economy, and the limited integration of social goals in the international framework, make it clear that the multilateral system needs to be made more effective. There is a governance gap which has to be addressed.

What are the options?

The first, and most basic point, is that uncertainty about how the world economy functions may well pose the single greatest challenge to the feasibility of international cooperation. Global governance is necessarily built on agreement between sovereign states. But such an agreement requires consensus on what is the problem and how to solve it. The failure in Seattle clearly demonstrates that we do not have a consensus. For many of the governments of the North, the issue in Seattle was movement towards further trade liberalization. For many of the protesters in the street, and - sometimes from a different perspective - for many of the developing countries in the negotiations, the issue was ensuring that globalization led to social progress. These goals may well be consistent, but they need the right institutional framework, and there is no agreement on its contours. And so the first step towards better governance is better knowledge. A major effort is required, by the international community, to better understand the process of globalization, its impact on different people and communities, and the ways it can be made to work for everyone, for social as well as economic development. We return to that below.

Beyond basic knowledge, there are many possible ideas which can be and are being explored:

- Global institutions for consensus building are clearly essential. A conflictual negotiation is not helpful. We need more fora where the different actors of the international system can meet and debate. New alliances need to be built. For instance, the suggestion, in the 1999 Human Development Report of UNDP, that a forum be created involving multinational enterprises, trade unions, governments and non-governmental organizations is a constructive idea.

- New instruments, legal or exhortative, at the international level, can help to reinforce an ethical consensus. The ILO Declaration of Fundamental Rights and Principles at work, discussed above, is an example of an instrument which can help to promote basic social goals, through a mechanism to promote them which is not coercive, and which offers guidance for national and international action.

- Newly organized civil society has capabilities which are diffuse but ultimately powerful. It is not only producers but also consumers who operate in a global economy. By organizing their demands, consumers are in a position to change the conditions under
which production occurs. Changes in the footwear industry in one export processing zone are illustrative. In recent years, for example, toxic synthetic glues have been replaced by non-toxic natural resins. Employment security and indemnification for job loss have been improved. Labour-management communication channels have been opened. These are "governance" improvements applied where they are needed, i.e. the lower end of the commodity chain. Their origin lies in codes of conduct of lead firms applicable to the conduct of their contracting firms, in turn due to consumer pressure. Resistance to such change on the grounds of its cost may not prove to be a substantial barrier, first, because it is not obvious that any costs associated with improved working conditions are not offset by gains elsewhere (e.g. higher productivity, lower turnover, etc.), and second, consumers themselves may be willing to pay higher prices to reflect the social standards involved in production. The Declaration also offers an instrument which is not only used by States. Now that the concept of a social floor to the global economy is increasingly accepted, a growing number of firms apply the principles in their cross-border activities, (this is reflected, for instance, in the United Nations Secretary-General’s Global Compact) while trade unions and consumer groups have an instrument which can be used effectively in negotiations and other forms of action.

- Steps towards regional integration offer routes, experience and options which can also contribute to global governance. The European Union is most advanced, but social issues have been explicitly and successfully built into NAFTA and Mercosur as well, and into many bilateral agreements. Such agreements are rarely based on trade sanctions, but rather offer recourse to individuals through national or special courts, or rely on promotional measures to overcome problems. The regional level also offers possibilities for cross-border social dialogue, which trade union movements are promoting actively.

These example suggest that modest moves towards better governance are possible. But global institutions are difficult to construct, and become more so the stronger the enforcement mechanisms. Recent debates around trade and labour standards illustrate this point. It is often argued that linking labour standards to the trading regime will promote social progress in the global economy. The problem however, lies partly in achieving consensus on the elements which measure progress, and partly in the lack of trust among many developing countries in an international system which they find unjust and unfair. And, as the above sections show, the linkage between labour standards and trade is not one which can be analysed out of context. Labour standards are an element of the decent work agenda; trade is one element of the development agenda. But decent work is also an intrinsic component of development. These different issues are deeply intertwined. A common vision of development is needed, one which offers an institutional framework for globalization which overcomes the inequalities built into the existing global system and promotes decent work for all, in order to move towards consensus on how labour standards could best be promoted. This, of course, does not constrain private actors. Many firms, consumers, trade unions and other social actors are promoting their visions of social progress within the global economy, in which their ultimate sanction is that they move their business elsewhere.

In summary, there have to be constructed institutions which can provide a global environment in which the decent work goal can be reached. These institutions have to be built on an enhancement of national capabilities, so that international institutions support national development, and must be under democratic control if there is to be trust in their impartiality. Above all, they must be designed in such a way that all women and men can share in the benefits of the growing global economy.

### 3.3 Decent work and normative action

Normative policy is one of the most powerful instruments available at the international level to achieve the goal of decent work. Indeed, in some sense it can be argued that decent work is
the goal of most ILO normative action. Even though the term itself does not appear in ILO standards, it embraces many of the specific objectives of particular conventions, making normative action an essential aspect of putting decent work into practice.

**Normative action and the meaning of decent work**

The objectives of the ILO coincide, almost axiomatically, with those of decent work, even though the term itself does not appear in any of the ILO’s founding texts. This is clear from the Preamble of the ILO Constitution, which refers to improving conditions of labour, including hours of work, unemployment, a living wage, health, protection of children, provision for old age and injury, equal remuneration, freedom of association and other matters. The Declaration of Philadelphia of 1944 declares that “all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity”. If we add that this right is achieved through work, we can find here the main elements of the definition of decent work.

The principal instrument of the ILO to achieve these constitutional objectives remains normative action, as embodied in International Labour Conventions and Recommendations. The 183 Conventions which have been adopted cover all dimensions of decent work (fundamental rights, employment, social protection and social dialogue), many of them in detail. Not only can these conventions provide very concrete content to these different dimensions, they also - and contrary to the rather static view which many observers have of such normative instruments - can offer an dynamic framework which captures the evolution of social and economic goals across time and space.

**Evolution over time**

While the objectives of the ILO are constant, their concrete expression may change as a result of technological change, production methods, social concepts and even values. New technologies may create needs for new forms of protection at the same time as they render others unnecessary. Technological change may radically change the organization of work, or reformulate fundamental questions which affect the dignity of people at work or at home. For instance, limiting working time was seen from the beginnings of the organization as an essential condition to permit people to escape from brutishness. This concern with the personal development of workers was even reflected in a recommendation (No. 21 of 1924) concerned with the use of free time.

The question of the banning of night work by women, for many years seen as an essential ingredient of decent work for women, is a classic example of how change in underlying social premises affects the interpretation of the ILO’s values and fundamental principles. Nowadays this same prohibition is seen as a denial of dignity and equality for women. Another example concerns indigenous peoples. The prevailing ethos has moved from a conception based on integration, in the name of equality of treatment, to one based on protection for the dignity and authenticity of their cultures.

The transformation and adaptation of the content of decent work in the light of technological or social change is by no means just a question of fashion or of subjective preferences. On the contrary, procedures for the revision of international labour standards help ensure that these norms reflect, in a way which is up to date and reliable, the views of the tripartite international community as a whole on particular aspects of decent work.
Evolution across space

Since its foundation, the ILO has had to reconcile on the one hand an aspiration for universality, and on the other the need to adapt concrete objectives to national realities, and in particular to the very different levels of economic and social development across the world. As was stated in article 427 of the Treaty of Versailles "differences of climate, habits and customs, of economic opportunity and industrial tradition, make strict uniformity in the conditions of labour difficult of immediate attainment". Article 19 of the Constitution offers more concrete advice to the international legislator, specifying that the Conference must pay attention to realities and adapt standards to prevailing local conditions. This principle has given rise to the adoption of flexibility clauses in recent Conventions, which permit the obligations of ratifying States to be adapted to their development level and their real possibilities for progress.

Normative action and achieving decent work in the global economy

By their nature the objectives of decent work are universal. As was underlined in the Report of the Director General to the 1999 International Labour Conference, "Decent Work", the ILO must be concerned with all workers. All those who work have rights at work, whether they work in the formal sector, in the informal economy, at home or in the street. While normative action has the merit that it can operationalize the notion of decent work in ways which are concrete, precise and dynamic, it is often criticised on the grounds that it can become an ideal achieved only by a happy few, whereas the effects of globalization are felt by all. Two aspects of this critique are particularly pertinent: first, international labour standards create obligations only for those countries which ratify the Conventions concerned; and second, in practice these standards are widely enforced only for workers in the formal sector.

While it is true that normative action depends on voluntary ratification, it is quite incorrect to conclude that this voluntarism is incompatible with the universal intent of the goal of decent work. There are two basic considerations to bear in mind.

First, there is already a minimum social floor of universal obligations. Through the Declaration on Fundamental Principles and Rights at Work of 1998, the International Labour Conference has recognized that the respect for certain fundamental rights must be guaranteed by all, for it is intrinsic to membership of the International Labour Organization. These rights must be respected regardless of whether there exists a standard employment relationship, and so are valid in informal employment. Moreover, the scope of this universal guarantee extends far beyond the four categories of principles concerned (freedom of association and collective bargaining, elimination of discrimination, forced labour and child labour). This is because it provides workers with individual and collective instruments which permit them to demand and obtain progress with respect to the totality of other rights and conditions at work, depending on the possibilities of the countries concerned. In other words, recognizing these fundamental rights is a necessary condition for the progressive realization of other dimensions of decent work.

Second, to fully appreciate the potential for universality of the ILO’s action, it is necessary to escape from a strictly binary view of standards, in the sense that either they are binding or they are not. It is certainly true that the ILO cannot impose decent work through obligatory legal means, because it cannot impose ratification of its Conventions on member states. But it has other institutional means which can support and promote universal efforts, across countries and sectors, towards this goal. In particular, attention should be paid to the unique potential of article 19 of the ILO constitution. On the basis of this article, the ILO may evaluate, at regular intervals, the progress made among its membership as a whole with respect to the provisions of unratified conventions and recommendations. The Declaration...
has involved the rediscovery of this potential, for it forms the basis of its follow-up. But nothing precludes its extension to other rights. It would of course be difficult for practical reasons to follow up all existing instruments individually. But it would be quite conceivable to do so if these instruments were grouped around the four strategic objectives of decent work. This approach would have the advantage, as compared with standard normative practices, that it could take into account the interdependence and possible trade-offs among different objectives. By making it possible to compare the success of member states - whether or not they have ratified the relevant conventions - in making balanced progress towards the different objectives embodied in decent work, this approach would help to identify good practices from which other member states could benefit.

It goes without saying - but perhaps it is not totally redundant to emphasize it - that this new form of normative action would in no way substitute for the traditional normative process; on the contrary it should reinforce it. Beyond normative action as such, it would also make it possible to mobilize and combine the means of action of the ILO as a whole, including research and technical cooperation, around the achievement of specific objectives which are seen as essential in the domain concerned. It would then be possible to systematically evaluate the real impact of these means of action within the framework of regular global evaluations of progress towards decent work.

3.4 Decent Work as an Integrated Development Strategy

The foregoing discussion of the impact of globalization on the four dimensions of decent work has shown that, left unchecked, the present form of globalization is retarding progress towards the goal of providing decent work for all. Policy and institutional reform is clearly required at both the national and international level.

The starting point for this reform needs to be a radical conceptual leap to an integrated approach to the economic, social, and political dimensions of public policy. The reason for this is that the traditional compartmentalized approach, which deals with each of these dimensions separately, has proved to be ineffective. This failure has become more pronounced in the current era of globalization. Giving primacy to economic policies on the assumption that distributional and other social and political goals can be dealt with subsequently has proved to be illusory. The basic reason for this failure is that the compartmentalized approach ignores the strong interdependence among the economic, social, and political dimensions of development. This has two important consequences. One is that it precludes the effective attainment of any of these interrelated goals through isolated policies. The other, which is implied by the first, is that the potential synergies from an integrated approach which deals with all these policy dimensions simultaneously and as of equal importance is foregone.

These propositions can briefly be illustrated as follows:

(a) distributional objectives cannot be effectively attained separately from economic objectives. One reason for this is that economic policies have a strong impact on the distribution of income. If these are not taken into account from the outset, they can overwhelm separate ex post efforts to alter the distribution of income. The converse is also important since research findings are making it increasingly clear that a high degree of income inequality has a negative impact on economic growth. Moreover, it is also being increasingly recognised that institutional variables are important determinants of distributional outcomes in market economies. Institutional arrangements which underpin the functioning of markets such as the rule of law, the enforceability of contracts, and the degree of transparency in political and corporate governance all exert a strong influence on the distributional outcomes of market processes. Similarly, the extent to which basic civil and political rights (including basic labour rights such as freedom of association and the right to bargain collectively) are respected impinges strongly on
distributional outcomes. These rights constitute the foundational conditions which determine the extent to which market-determined distributional outcomes can be altered through political processes and collective bargaining. They also determine the extent of democratic accountability and transparency in policy formulation, both of which are important for ensuring that these policies are efficient and in the general interest. These interrelationships show how futile it would be to focus exclusively on economic policies in the hope that distributional issues can be treated separately.

(b) More specifically, the traditional dichotomy between economic and social policies has often led to sub-optimal policy choices. For instance, it has contributed to the relative neglect of a serious prior analysis of the social impact of economic policies in spheres such as macroeconomic stabilization, structural adjustment, and the transition to a market economy. This has resulted not only in inflicting excessively high social costs but also in sowing the seeds for the failure of the economic policies themselves through the social conflict and political instability that has been generated. Equally important has been the fact that the dichotomy between the economic and the social has often contributed to an under-investment in social capital. Because social policies are treated as residual and subordinate to economic policies there has been relatively little effort to develop the conceptual frameworks and policy tools to capture fully the developmental benefits of these policies. For example, the core concepts of ‘efficiency’ and ‘productivity’ are applied almost exclusively in the economic sphere but it is clear that they can be usefully extended to the social. Capturing the economic benefits of social policies, over and above their obvious social benefits, would contribute greatly to successful advocacy to upgrade the status of social policies and redress the under-allocation of resources for social development. This would apply to a wide range of social policies-investments in basic social services, social protection, protective labour legislation, and the enforcement of basic rights. Apart from the fact that progress in these areas is desirable in its own right, demonstrating their economic benefits in terms such as the improvements in human capabilities, productivity, social cohesion, attitudes to change, and resource allocation that they would bring about would be a powerful tool for advocacy.

(c) The above two observations imply that adopting an integrated approach would lead to superior outcomes. A major difference is that it can reap the full benefits of policy complementarity. Simultaneous progress in achieving economic growth, reducing inequality, improving socioeconomic security, strengthening basic rights and democratic governance, and developing sound institutions necessary for the efficient functioning of markets, can all be made mutually supportive. As such, in term of policy outcomes, the whole will be greater than the sum of parts. In part, this will also be because an integrated approach will allow for greater policy coherence. It will reduce the risk that policies in one sector undermines, rather than supports, the attainment of objectives in another. It will also facilitate progress towards an optimal allocation of resources between the competing claims of economic, social, and political objectives. It is important to note in this context that the attainment of some of these objectives such as respecting basic civil and political rights or ensuring more participatory approaches to the formulation and implementation of policies do not require substantial resources. Yet their developmental benefits are likely to be great. Placing these issues at the centre of the policy agenda, as an integrated approach would do, greatly increases the prospects that progress would be made on these fronts.

The ILO’s concept of Decent Work provides the basis for such an integrated approach to policy, covering a large and strategic part of the overall development agenda. Policies to promote the highest possible rate of the generation of decent employment for all are vital for ensuring greater equity in the distribution of the benefits of economic growth. This is because income from employment is the predominant determinant of the economic welfare of most of the population. Ensuring full respect for basic labour rights supports this goal since it will empower working men and women to exert political influence to ensure that employment
creation is a priority, that working conditions meet minimum standards of decency, that there is an adequate level of employment and social security, and that there is a greater degree of industrial democracy and social dialogue. Guaranteeing basic labour rights would also spearhead progress towards political democracy in general, with all its attendant benefits in terms of ensuring more transparent policies that are in the interest of society as a whole rather than of only dominant groups. Similarly, attaining a higher degree of socioeconomic security would be an important additional complement to the above policies. Policies to extend social protection to all workers would contribute greatly to the reduction of poverty. They would also contribute to improved economic performance through eliminating inefficient behaviour by economic agents that has been based on excessive risk-aversion and through fostering more positive attitudes towards economic and technological change.

Giving effect to this integrated approach to achieving Decent Work would be important for at least two reasons. First, it would be a major means of generating inclusive processes that lead to improvements in well-being and security for all. The accomplishment of these ends, by countering any negative impacts of globalization, would help underpin its social legitimacy. Secondly, this integrated approach to achieving Decent Work can serve as the foundation, and indeed the prototype, for the new approach to overall development that is required. It is well suited for this because, as already elucidated, it spans the whole spectrum of variables (basic rights and democracy, economic and social policies for employment creation and improved socioeconomic security, and institutional arrangements for ensuring greater participation) that have to be taken into account in an integrated approach to development.
Endnotes

1 Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98).
2 Forced Labour Convention, 1930 (No. 29); Abolition of Forced Labour Convention, 1957 (No. 105).
3 Minimum Age Convention, 1973 (No. 138). A new instrument, the Worst Forms of Child Labour Convention (No. 182), was adopted at the 87th Session of the ILO Conference in June 1999.
4 Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111).