Decent Work in the Global Economy

Discussion paper No. 1
Introduction

The great global conferences of the 1990s – Rio, Cairo, Beijing, Copenhagen – put social development back on the map after a decade or more in which it was subordinated to economic goals. Production and economic growth were not ends in themselves, the conferences declared: they have to meet the needs of people for rights and justice, for participation, for a decent environment, for social integration, for employment. Each of these conferences identified a range of concrete actions, and addressed recommendations to the leaders of the world about how social and economic goals should go together.

During the same period, the process of globalization was accelerating. In the last two decades of the century we have moved from an international economy, in which national economies interact in a global market, to a global economy in which many of the relationships and mechanisms are themselves global in nature. Transnational enterprises produce globally, according to shifts in costs and markets. Financial transactions pay little attention to national boundaries. International trade routinely grows faster than national production. Technology flows across borders little impeded by attempts at national control.

The outcomes of this process are both stimulating and worrying. There is now widespread agreement on the principle of open markets and open societies. Globalization is delivering enormous new opportunities. In some parts of the world those have been spectacular growth in incomes and employment. But set against the objectives of the global conferences, there are reasons for concern. It is widely believed that inequality has continued to widen in many countries as well as between countries. Unstable global financial systems generate crises with enormous social costs. More economic activities are becoming informalized and many jobs are becoming more precarious in a search for competitiveness. Perceptions of insecurity are spreading, not only among the poor and unemployed, but also among the middle classes. Many ordinary people feel that their rights and their livelihoods are threatened. Many developing countries are reticent to participate in a global process which they see as weighted against them. Above all, the benefits of globalization reach only a fraction of the population.

As we saw in Seattle, these perceptions are starting to emerge as a backlash in the streets. The social legitimacy of the process is in question, and movements opposed to globalization are strengthening.

This does not mean globalization will stop. On the contrary, it is continuing apace driven by the market and by technological forces. The rapid expansion of the knowledge economy is creating tremendous new opportunities, and cheap communications reinforce the process. Yet history shows that once tensions build up in economic and political systems, the outcome is unpredictable. If economic forces move out of line with social institutions, ultimately something has to give. And at the moment, in an economy which is increasingly global, the governance gap is growing. It is by no means obvious how long globalization will continue on its present path if the fundamental social issues, highlighted by the global conferences, are not addressed.

Work and employment are at the heart of these debates. The expanding global economy reaches people by helping enterprises to grow, and providing opportunities for income and employment. But more women and men need to benefit, and more attention needs to be paid to productivity, to security and protection. The global economy has to deliver decent work - and that is the ILO’s primary goal today.

What is decent work? It is work which is productive, and carried out in conditions of freedom, equity, security and human dignity. Freedom, equity, security and dignity may take varying forms in different environments, but the underlying principle is the same. The ILO Declaration on Fundamental Principles and Rights at Work adopted by the International
Labour Conference in 1998 captures vital dimensions of this vision: freedom of association, absence of discrimination and forced labour, rejection of child labour. Beyond these fundamental rights there are other concerns, such as the safety of the working environment, the duration and intensity of work, the possibilities for personal fulfilment, protection against contingencies and uncertainties. Work must be productive, if it is to provide a decent income. And above all, work should be available for those who want and need it. Decent work must encompass all workers: the fundamental principle is that all those who work, women and men, have rights at work. That means not only wage workers in formal enterprises, but also the self-employed, casual and informal workers, the hidden (predominantly female) workers of the care economy or of the domestic scene.

The word "decent", it is sometimes said, sets the bar too low. Decent can merely mean the opposite of indecent, a level of bare adequacy. But the word also has the meaning, in English, of meeting or exceeding core social standards - setting a threshold for work and employment which embodies universal rights, and which for a given society is consistent with its values and goals. In this sense, what is seen as "decent" evolves as the possibilities of societies also evolve, so the threshold advances with economic and social progress. So decent work is closely bound up with the process of development. It does not attempt to impose unrealistic targets, but reflects aspirations and guides social action.

How can the goal of promoting decent work be achieved? In the work of the ILO it is seen as the synthesis of four strategic objectives: achieving fundamental principles and rights at work; the creation of greater employment and income opportunities for women and men; extending social protection; and promoting social dialogue. These objectives are closely intertwined: respect for fundamental principles and rights is a precondition for the construction of a socially legitimate labour market; social dialogue the means by which workers, employers and their representatives engage in debate and exchange on the means to achieve this. Employment creation is the essential instrument for raising living standards and widening access to incomes, social protection the means to provide security of income and of the working environment.

This paper reviews the decent work goal and how it can be achieved in the context of globalization. A first version of the paper was prepared as background for the UNCTAD X Conference in Bangkok in February 2000. It summarizes some of the ways in which globalization impinges on the different dimensions of decent work, and indicates some routes forward, both those foreseen in the programme of the ILO, and others which might guide the international community in the future. In particular, it suggests ways in which an integrated framework encompassing both economic and social goals might be developed.