Speech
by State Secretary
Rudolf Anzinger

at the
ILO Conference

on

“Fair Globalization – Safe Workplace”

25 October 2005

in Düsseldorf
Ladies and Gentlemen,

When the ILO asked me some months ago to give a speech at this joint congress, we already knew that this might be a difficult time to hold the event. But we didn’t know back then that it would be this critical – with the coalition talks for Germany’s new government in full swing and the Federal Ministry of Economics and Labour set to be more than slightly restructured. Despite the timing, I was happy to come today because occupational safety and health is a topic to which the Federal Republic of Germany has attached a consistently high level of significance for decades now: its foundations are immovable and non-negotiable.

I welcome the fact that, together with the ILO and the co-organizers from the Hauptverband der gewerblichen Berufsgenossenschaften and RWE, we have extended the focus at this conference to take in the international context of occupational
safety and health. This is reflected in the conference title, “Fair Globalization – Safe Workplace”.

So what does “Fair Globalization” mean?

These things are all a lot clearer in the world of football – a subject that had all our hearts racing again last week.

The **Fair Play Trophy** is awarded to the team which commits the least fouls and gets the least yellow or red cards in a certain number of matches.

The **rules** of football change slightly every so often but the main rules have been in place for more than 100 years. A **referee** decides whether or not rules have been violated. The referee’s decisions during the match cannot be contested even though the players occasionally attempt to do so. Barring a few exceptions, the referee’s decisions are right – even if the TV cameras show repeated slow-motion pictures to try to prove the opposite!
But what are the rules of globalization? Are there actually any binding rules yet?

**Decent Work – a Global Objective**

Ladies and Gentlemen,

The results of globalization are primarily visible in the larger range of goods, cheaper product prices, higher mobility potential and closer technology-based communication across the globe. But people are also experiencing globalization, in particular, at their workplaces. And their general impression is that, like it or not, they cannot simply “cancel” globalization and its downsides as if it were a newspaper subscription.

With the terrific speed at which the world’s markets are becoming one, it is inevitable that there will be winners and losers. Industrialized and developing countries alike are facing new problems. The important thing is to make better use of the
opportunities globalization offers, and not only to proclaim the right to decent work as a global objective but also to put it into practice, step by step.

The ILO has followed through impressively and declared the social dimension of globalization a guiding principle for its activities. During Director-General Somavia’s visit to Berlin in October 2004, Federal Chancellor Gerhard Schröder gave him an assurance that Germany would play a leading role in this context.

The point is that decent work must continue to be the top international objective. Although improving social and health-related aspects of work is predominantly a national task, minimum standards need to be established at the global level to create a framework which is applicable the whole world over.
To return to my reference to the world of football: we need basic rules at the global level too, adhered to by everyone. However, the situation on our pitch is more difficult since the competing teams are not all equally strong. To use my comparison once more: we don’t just have Champions League teams playing each other – there are also teams from regional divisions competing against international premiere league teams. So we need to ensure a more level playing field and we need to give globalization a social dimension.

That requires an approach which tackles the issue on two different levels.

First, the nation-states need to initiate change processes. Good governance and labour market reforms are important to be able to create a flexible and social labour market, but so are responsible
corporate behaviour and functional systems of social partnership.

Second, the multinational level should serve as a platform for cooperation between all of the key players involved in trade, economic, financial and employment policies. The World Commission on the Social Dimension of Globalization has already proposed a “coherence initiative”, to include the ILO, WTO, IMF, World Bank and the relevant UN organizations, and this suggestion must now be revisited.

Only through **worldwide cooperation** in the field of occupational safety and health can the foundations for fair competition be laid. Dumping at the expense of human dignity can and must be decreased. Globally recognized social standards can be used to counter the decline in workers’ rights and protective standards.
The ILO in particular has played an outstanding role in this area in the past. Its internationally recognized **Core Labor Standards** provide an important initial basis for a comprehensive agenda dealing with social development and the call for decent working conditions.

However, we are often faced with that old objection you’re all familiar with: “Occupational safety and health costs money and is thus detrimental to our international competitiveness.” It amazes me that this argument has managed to persist for so long even though the positive relationship between the quality of workplaces and competitiveness has been proved in countless international studies.

**Quality of Work – a Business Success Factor**

Ladies and Gentlemen,

Long-term studies have shown that, over a period of 50 years, **“visionary companies”** generated more than 15 times the general market return. The fact
that these “visionary companies” place particular emphasis on their employees’ needs when formulating their strategic objectives indicates that there is a connection between an employee-centred approach and business success.

A long-term study based on the extensive data collected by the Great Place To Work Institute (conducted in cooperation with analysts from Frank Russel in the US) also revealed that, in a period of ten years, the 100 best employers in the US enjoyed share price gains more than twice as high as those posted on “Standard and Poor’s Index 500”. This goes to show that investments in human resources really pay off both in the medium and long term.

So it’s no coincidence that capital analysts are also increasingly looking at social factors when rating companies. And that means that companies seeking success on the capital markets will have to
incorporate these kinds of sustainability criteria into their corporate strategies and policies.

In addition, customers and consumers are becoming increasingly aware of the need for fair, socially and environmentally compatible products and services. The growing importance of “Corporate Social Responsibility” (CSR), including at the European level, reflects that awareness.

**Social Policy Agenda**

Ladies and Gentlemen,

The medium-term objectives adopted by the EU member states in Lisbon in March 2000 aimed high: the plan is for Europe to become the most dynamic and competitive knowledge-based economy in the world by 2010. Even though many of those goals have not yet been attained, as the high-level group headed by Wim Kok concluded in November 2004, we still believe in the aims of this common strategy.
The relaunched version of the Lisbon Strategy, as proposed by the Commission this February and adopted by the European Council in March, seeks to focus efforts on two priority areas:

- boosting sustainable growth and
- creating more and better jobs.

The new Social Agenda will play a key role in promoting the social dimension of economic growth within the context of globalization. One of the conclusions drawn in the Social Agenda is that the Lisbon objectives relating to growth and jobs can only be achieved with a greater number of active employees working more productively.

Consequently, Europe has to take action to raise both the **quantity** and the **quality** of jobs and to increase productivity. So measures aimed at improving employment rates need to go hand in hand with measures to make work more attractive and to ensure better workplace quality. These
requirements make it clear that work quality is increasingly driving economic growth. Companies’ ability to meet the market’s high quality requirements, their business success, competitiveness and long-term survival largely depend on their employees’ well-being and health.

In Germany, the **INQA New Quality of Work Initiative**, set up in 2001, has provided new impetus in the debate surrounding the qualitative issues involved in organizing working conditions and work content.

**Who and what is INQA?**

Ladies and Gentlemen,

I should like just briefly to explain, particularly for our international guests, what the purpose of INQA is.

The “INQA New Quality of Work Initiative” is a joint project by organizations and institutions which are responsible for work design in Germany, and which
consider the promotion of a new quality of work an important task in the effort to secure companies’ competitiveness.

Sustainable, decent working conditions are not possible without a concerted effort by the social partners and other socially and economically relevant groups. In recognition of this fact, INQA has established an alliance comprising the federal government, the federal states, social partners, social insurance institutions, businesses and foundations, working together under the slogan, “Taking action together – each partner on its own responsibility”.

Ladies and Gentlemen,

INQA is also about factors that are necessary on the football pitch too: motivated, independent workers (the players) who are committed and creative. In other words, it’s about a modern, new and holistic concept of work.
This new form of cooperation, which we are trying out on a national scale, could be expanded beyond Germany’s borders. I invite you all to become a part of it.

Thank you for your attention.