The Challenge of a fair globalization

Cardinal Martino,
Dear Rector,
Your Excellency Madam Ambassador of Egypt,
Eminencies, Excellencies,
Ladies and Gentlemen,
Dear Friends,

We come together to discuss the report of the World Commission on the Social Dimension of Globalization. It presents us with the challenge of building a fair globalization that reduces inequalities and expands opportunities for people worldwide. I believe this is one of the leading tests of our times. It does not have to be an ideological debate, a question of right or left, nor just a North-South issue. Basically it is a common sense issue. At root, it is essentially an ethical question. Put in this way, as with the World Commission’s report, I believe we can build common ground for a better world.

This quest affects every society and every economy in the world. And in a world that is becoming more connected but less united—where we see economic boundaries disappearing but divides growing—it is essential that we seek solutions through dialogue and common values.

The Pontifical Council for Justice and Peace with the Social Doctrine of the Church in our background is no doubt a significant space to address these issues. Cardinal Martino – thank you again for this invitation.

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Our meeting today reflects the long and strong bonds between the Holy See and the ILO which date back from our earliest days. In 1920, at the second International Labour Conference, Monsignor NOLENS, delegate of the Netherlands as President of the Dutch Roman Catholic State Party, member of Parliament, and later Minister of State (1923-1931), made a speech emphasising the need for common shared values in building the Organization, in order to reconcile the opposing interests of workers and employers.
Impressed by his speech, the first Director of the ILO, Albert THOMAS, said to him: “All that remains to be done is to go to the Vatican!” The very next day he visited NOLENS at his home, telling him: “You probably thought I was joking. This is not the case. I would be very happy if the Office and our Conferences could establish relations with the Vatican in order to ensure moral collaboration”.  

Albert Thomas, an agnostic French socialist, regarded such a relationship as so important because already then, the ILO had an ecumenical and multi-religious approach. In a speech he made in 1928 to the World Alliance for International Friendship through the Churches, he summarized his position very clearly:

“Here, men from all churches, all faiths, all parties, have worked together to devise a whole programme of social reform, all equally convinced that it is the way they are serving their political or religious ideals.”

In my life, I have been inspired by that same sense of openness to all religions and beliefs. It is my conviction that human beings coming from different persuasions share an immense array of values that simply dwarf those that may separate us.

For this reason I have asked Father PECCOUD, the seventh in the line of ILO Special Advisers for Socio-Religious Affairs who is here today, to assess together with experts from other religions, our Decent Work Strategy. That exercise has resulted in a publication titled *Philosophical and Spiritual Perspectives on Decent Work* which shows how the ILO mandate is deeply anchored in their common teachings. And this is an ongoing work.

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Our most important challenge is to re-establish in government policy, in business, in our communities, in our own work and lives and in society at large, a sense of shared values we can all follow, to help us guide our day to day human actions and interactions.

If I use the word re-establish, it is because I often hear we need new values to confront these new global situations. I am convinced, on the contrary, that the shared values of the great religious, spiritual and humanist traditions, have given us a very sound basis of wisdom on which to build better societies and constitute a very strong foundation for a fair globalization.

The belief in dignity of the human being... the sense of caring and solidarity... the elimination of discrimination...the need for social justice...the respect for our earth and our elders. These and so many other guiding values do not need to be reinvented. They need to be applied.

The urgency of this message rose to a much more prominent place on the international stage with the World Summit on Social Development in Copenhagen ten years ago. There was a growing consciousness by the mid-90’s that globalization was evolving in an ethical vacuum with a winner-take-all mentality that favoured the strong over the weak.

Policies seemed to be concentrated around the way economies work not on the way societies work—organized around market values and not people’s values.

This concern drove much of our work during the preparation of the Social Summit of which Cardinal Martino and also Archbishop Diarmuid Martin, former Secretary of this Council, were very much a part.

The Summit declaration acknowledged “that our societies must respond more effectively to the material and spiritual needs of individuals, their families and the communities in which they live,” with respect to the three key agenda items--poverty, social exclusion and unemployment.

In fact, one of the enduring results of the Summit process was the creation of a civil society Values Caucus at the United Nations as a meeting place for people to view issues on the multilateral agenda through a values lens.

What emerged clearly from the Social Summit were guiding principles for all policymakers in every field: The elimination of poverty and marginalization must be an ethical imperative in all societies. The quality of work determines the moral quality of a society. It set the stage for the Millennium Summit five years later and the ILO Declaration on Fundamental Principles and Rights at Work of 1998.

1 Letter of Mgr NOLENS to the Holy See, Septembre 1921.
2 *Philosophical and Spiritual Perspectives of Decent Work*, ILO, Geneva, 2004
In many ways, these principles have defined the relationship between the ILO and the Holy See throughout our history together. There are some striking parallels, for example, between the ILO Constitution and the first social encyclical *Rerum Novarum* on the relations between capital and work issued by Pope Leon XIII in 1891.

The ILO constitution reminds us that:  
“…universal and lasting peace can be established only if it is based upon social justice;”  

And it created tripartism—dialogue between governments, workers and employers—as a fundamental vehicle for solving conflicts and maintaining peace.

The Encyclical says: 
“Let those in charge of States make use of the provision afforded by laws and institutions; let the rich and employers be mindful of their duties; let the workers, whose cause is at stake, press their claims for reason”

In both visions, peace and justice, justice and peace are inextricably woven together in tripartite dialogue.

Through the years, the exchange of ideas has grown continuously: Visits by the Holy Fathers Paul VI and John Paul II, invited to address the International Labour Conference; official visits by my predecessors to the Holy Fathers.

I have been honoured by his Holiness John Paul II with audiences that have touched me deeply and given me much energy – whether as President of the Economic and Social Council, or the Preparatory Committee of the Social Summit or more recently as head of the ILO, these have been precious moments of inspiration and reflection for me.

In fact, five years ago, the Holy Father invited me to address some 250,000 employers, workers and members of government and mainly youth gathered at Tor Vergata on the occasion of the Jubilee of Workers. There I presented the basic strategy underlying the decent work agenda which represents the ILO’s 21st century vision of our mandate and has much in common with the social doctrine of the Catholic Church.

When we speak of decent work, we mean work on which women and men can raise their family and send their children to school. Work in which people are respected, can organize and have a voice. Work that will provide a reasonable pension at the end of a working life. Policies that generate quality work throughout society.

We call it Decent Work because we know work is a source of dignity. Work is fundamental to family stability.

Work is linked with peace. A community that works well is a community in peace.

Decent Work recognizes you cannot have stable societies based on persistant social inequality, as there can be no social development based on unstable economies.

Decent work is not an international standard, it is a legitimate human goal in every society. It is based on job creation and the enabling environment for investment and enterprise development; together with rights at work and social protection within the possibilities of each economy, all facilitated by dialogue among governments, employers, workers, and international solidarity.

Each society must define and organize around its own priorities to get there. It won’t happen overnight, but we must recognize that this is the most widespread democratic demand in all countries.

Understood in this way, the concept of decent work is not limited to a mere material dimension. It also includes the properly spiritual dimension of work.

As the ILO’s Philadelphia Declaration of 1944 states:

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3 ILO Constitution, Preamble, para. 1
4 *Rerum Novarum* # 82
“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.”

We were humbled that during the Workers Jubilee in the year 2000, Pope John Paul II helped lead the call by making an appeal for a worldwide coalition on behalf of decent work.

The social teaching of the Catholic Church insists on the fundamental ethical fact that “work…is not only good in the sense that it is useful or something to enjoy; it is also good as being something worthy…something that corresponds to personal dignity and increases it…Through it one achieves fulfilment as a human being and indeed…becomes ‘more a human being’.”

The same values and impulse animated the work of the World Commission on the Social Dimension of Globalization convened by the ILO.

President Tarja Halonen of Finland and President Benjamin Mkapa of Tanzania chaired the Commission, whose 26 members included a Nobel economics laureate, legislators, social and economic experts, and representatives of business, organized labour, academia and civil society. Together, they reflected all sides of the debate, representing many different cultural backgrounds and all the major religions and spiritual traditions.

From divergent voices a converging view emerged: Globalization can and must change. It includes no fewer than 64 calls for shared ethical values if we are to build a lasting, meaningful world order.

The Commission’s report acknowledges globalization’s potential for good – promoting open societies, open economies and the freer exchange of goods, knowledge and ideas. But the Commission also found deep-seated and persistent imbalances in the current workings of the global economy that are “ethically unacceptable and politically unsustainable”.

The report proposes four broad ways forward: make decent work a global goal, focus on fairness, start at home and, finally, rethink global governance.

In reviewing them here, I will try to highlight the shared ethical values on which they are founded, even if not explicitly stated, and how they converge with the social teaching of the Catholic Church.

First, **make decent work a global goal**.

What are people’s aspirations? Simply put: “Give me a fair chance at a decent job”.

Well-functioning global and local markets must deliver better jobs in all countries, not just cheaper products. As one participant said in the Philippines dialogue held by the Commission, “There is no point to globalization that reduces the price of a child’s shoes, but costs the father his job”. People are worried about jobs—decent jobs.

Half of the world’s workers live on less than two dollars a day. It is difficult to build dignity on that basis. But it’s also difficult to build a global economy without consumers. The drivers of the global economy seem to have forgotten Henry Ford’s common sense perspective when he wanted workers to afford the cars they produced—or as the US labour leader Walter Reuther said: “We cannot have a car economy based on bicycle wages.”

The ILO has always rejected the notion that labour is a commodity. Labour cannot be treated as merely another factor in the market. After all, what represents a cost in the production process is at the same time a human being, whose work is a source of personal dignity and family well-being. That should never be forgotten.

This is precisely where ethical values question market values. This is where all the major religions of the world question the present model of globalization. This is why so many people at work often have the feeling that the rights of capital are better protected than the rights of workers. In fact, only recently, the Economist reported that “UBS, a Swiss bank, estimates that in the G7 economies as a whole, the share of profits in national income has never been higher. The flip side is that labour’s share of the cake has never been lower.”

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5 Declaration concerning the aims and purposes of the International Labour Organization, Philadelphia, 1944, IIa
6 Laborem Exercens #9 §3
Organizing the global economy to reduce the Decent Work deficit in all societies will make one of the most effective contributions to showing that open economies and open societies can work for people, their families and communities.

Secondly, **focus on fairness**.

I often hear people say globalization is irreversible. But to say that a given phenomenon cannot change, in the halls of a 2000 year old institution that has seen empires come and go with their accompanying economic and social philosophies, may sound a bit naïve. Of course, the technology driving globalization is irreversible, but the policies that underlie the process are not a force of nature. They are established by policymakers and they can be changed by policymakers to ensure fairness, equity and dignity.

As John Paul II said at the Workers’ Jubilee in Tor Vergata on 1st May 2000

“Globalization is a reality present today in every area of human life, but it is a reality which must be managed wisely. *Solidarity too must become globalized.*”

We need fair rules for trade, migration, capital flows and debt burdens, as well as better access to markets and more democratic global decision-making in order to provide developing countries, and, above all, the least developed countries, with more scope to act. We need affirmative actions for the weakest – whether individuals, communities, companies or countries – the opposite of a winner take all mentality!

We also need to be able to count on basic social protection against ill health and unemployment, as well as retirement schemes. Less than 20 per cent of the world population has insurance covering all those needs. Access to water, electricity, transport and other basic needs and services at reasonable costs is also a fairness issue for the majority of people.

Fairness is the source of legitimacy!

Thirdly, **start at home**.

Much policy advice has been given to facilitate global finance, trade and investment so as to integrate countries into the global economy. But much less effort has been spent on reinforcing local communities, local entrepreneurship, and local markets where people live, and where they want to stay if given the opportunity. There cannot be successful globalization without successful “localization”.

A very important principle lies at the heart of what I call “localizing” globalization and that is the principle of subsidiarity. For any social group the problems arising at one level have to be solved at that same level with the help of a higher level—remember, in Latin “subsidium” means “help”.

In the past, we have all too often witnessed approaches where a country is told by an international organization: “here’s a checklist of what you should do or else…”. Of course, there must be certain basic common rules, an international rule of law, but countries also need to have the space to decide how best to achieve their own policy objectives.

The ILO has always been very keen on that principle, since the international legal instruments adopted by the International Labour Conference are not imposed on anybody. They become an international commitment through national ratification. They constitute a guiding criteria that help structure the drafting of local laws and regulations. The network of ILO regional and subregional offices focuses on the development of local policy through technical cooperation, policy advice and access to our knowledge network

A second important principle deriving from the first is that of participation. The right to participate in the governance process at all levels stems from the respect due to the human person. The right to organize, freedom of association, collective bargaining and non-discrimination are the foundations of dialogue and participation from the local to the global level.

Fourthly, **rethink global governance**.

To reap the full benefits of good national governance, we need good global governance. We don’t have it today. We need to improve the way global institutions perform and talk to one other, and adapt a 60-year old architecture to 21st-century priorities.

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Many sound national efforts with international support are under way, for example, to implement the Millennium Development Goals and to make local poverty reduction strategies more attuned to social and employment priorities.

But when it comes to international policy coordination, we need an upgrade. The multilateral system is clearly underperforming. It is not realistic to deal with the integrated phenomenon of globalization with separate sectoral approaches. A fair globalization will not come about only through disjointed decisions on trade, or finance, or labour, or education or health policies, conceived and applied independently. It is an integrated phenomenon. It takes integrated solutions. And obviously, integrated policies.

The Commission calls for coherence among major international organizations because mandates intersect and policies interact.

It is going to take some time to follow that approach across the board. So why don’t we begin with something that is doable right away?

Among other proposals, the report calls on the relevant international organizations to work together on sustainable growth, investment and employment creation. It suggests a Policy Coherence Initiative to be put together by the World Bank and the ILO along with the International Monetary Fund, the World Trade Organization, UNDP and other concerned organizations of the United Nations system.

Let me illustrate the need. In 2004, global growth was a hefty 5% - that’s a nearly 4 trillion dollar increase in world output--while unemployment was reduced by a mere half a million people.

Coming together around jobs would respond to a major democratic demand in all countries, and demonstrate the capacity of the multilateral system, acting together, to find creative solutions to address it.

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The report has been well received throughout the world. The European Commission responded quickly and positively —and urged the European Council to take action at the highest political level. Its Social Agenda for 2005-10 takes up the World Commission's recommendation that decent work should become a global goal. The African Union welcomed the report and endorsed it as a framework for action.

A number of national dialogues to discuss its recommendations have been held throughout the world. And in December, the UN General Assembly unanimously approved a resolution to mainstream the report into the UN system by calling on Member States and UN organizations to consider the report within their mandates and the framework of the Millennium Summit Review to be held in September 2005.

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Dear Cardinal Martino, the report of the Commission that I have tried to present briefly here was published at the same time as you published the Compendium of the Social Doctrine of the Catholic Church. In remembering again Tor Vergata and the Workers’ Jubilee of 1st May 2000, I can still hear Pope John Paul II spreading over us his energy in a way that was somehow prophetic about the significance of these simultaneous publications. Let me quote him at length:

“The new realities that are having such a powerful impact on the productive process, such as the globalization of finance, economics, trade and labour, must never violate the dignity and centrality of the human person, nor the freedom and democracy of peoples... Solidarity, participation and the possibility to manage these radical changes... are certainly the necessary ethical guarantee so that individuals and peoples do not become tools but the protagonists of their future. “The commitment to resolve these problems in all parts of the world involves everyone. It concerns owners and management, financiers, and craftsmen, tradespeople and workers. All must work so that the economic system in which we live does not upset the fundamental order of the priority of work over capital, of the common good over the private interest.”

He went on to say,

“The Pontifical Council for Justice and Peace is reflecting on these themes and is closely following developments in the world economic and social situation in order to study their impact on the human
being. The result of this reflection will be the *Compendium of the Social Teaching of the Church*, which is now being compiled.”

I am deeply impressed by this masterly work. By its scope and structure. First, the philosophical and theological foundations are firmly established; then comes a very sound and illuminating proposal of universal significance on how to build a meaningful human family in a lasting world. Starting from the family, it sets human work as the basis of the social fabric and of a sound economic life that must be steered by the political community, first at home, then at the international level. If all this is done with respect for the environment, peace will emerge for all men, women and children.

Let me express my gratitude to you, to your predecessors, the late and venerable Cardinal Van Thuân, who started the work as well as Cardinal Etchegaray, and to your collaborators, especially Monsignor Giampaolo Crepaldi, for this work.

You will recall that I personally proposed to make the encyclical *Centesimus Annus* an official document of the United Nations. I am now also eager to help promote this well-articulated restatement of all the texts issued by the Vatican over more than a century.

The ILO and the Holy See began their collaboration some 85 years ago. Over the years, the Catholic Church has enriched its social teachings, while we have developed the international legal framework for a better society, built, through tripartite dialogue, on the ideal of work being more and more decent and available to all. To move sustainably in that direction the voice of the Church can be so significant.

Would it be a dream to think that on a first of May in the near future – the festivity of Saint Joseph the Worker—and following the appeal of his Holiness in Tor Vergata for a worldwide coalition for Decent Work, the many bishops of the Catholic Church around the world would concentrate their spiritual energy in promoting the creation of decent work as key for the future of our human family? Can you imagine the impact and its follow up?

Our paths have not diverged during this history of relations. The values embodied in the *Compendium* and in the Decent Work Agenda as well as the report of the World Commission bode extremely well for even closer relations between us in the future, and we will continue our work along what is clearly a common path.

And beyond all the complexities I have described, I see the future with hope. After all, the essence of faith is hope and not despair; the essence of change is conviction not indifference; and the essence of our identity is, in fact, our values. The security of people –our own and everyone else’s—depends on us. We have a right to hope for the promise of peace.

Juan Somavia
Director-General

International Labor Organisation
Pontificia Università Lateranense, 25 February 2005

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8 John Paul II : Homily at the Mass for the Jubilee of Workers (1 May 2000), *L’osservatore Romano*, English edition, 10 May 2000, p. 5