

ORAL HISTORY PROJECT

Transcription of the interview of Victor Tokman



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10th June 2008, ILO Geneva



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Victor Tokman was Director of the Regional Employment Programme for Latin America and the Caribbean for many years, before becoming ILO Regional Director for Latin America from 1994 to 2001. This is an abridged selection from a longer interview.

Interviewer – Victor, could we start by talking about your life before the ILO? Tell us something about what you did before you joined the ILO and what it was that brought you to the ILO.

Mr Tokman – I joined the ILO very young after finishing my post-graduate studies, like most of our colleagues in the World Employment Programme. However, I had already worked at the Economic Commission for Latin America and the Caribbean (ECLAC/CEPAL) and I also worked in the Committee of Nine Wise Men of the Alliance for Progress during the Kennedy Administration, based in the Organization of American States in Washington D.C. Later on, I returned to the Latin American Institute of Economic and Social Planning (ILPES), headed by Raul Prebisch, to undertake research. I was then invited to be a member of the high-level mission of the ILO/WEP to the Dominican Republic. It was at that time that I was designated Director of PREALC (the ILO Regional Employment Programme for Latin America and the Caribbean). This was the beginning of my relation with the ILO that lasted until retirement.

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Actually, the beginning of PREALC in the late 60s was part of a strategy to develop manpower analysis in the Region. PREALC started as a multi-agency program and project funded by UNDP. By 1973, PREALC had already become a promising programme. There were all very young and promising professionals but focussing mainly on undertaking employment diagnosis for several countries of the Region

Interviewer – Did you, in PREALC, feel that you were part of a coherent, global effort on employment policy or was it more a sense of a regional programme?

Mr Tokman – My colleagues and I felt very much members of a global initiative. Similar programmes were operating in Asia and Africa, but our feeling of belonging to the World Employment Programme was largely due to the role played by the Employment Department in Geneva, and particularly by Louis Emmerij in addition to Gerard Thirion, who was responsible for linking the teams with HQ. Working in Latin America also gave us the opportunity of becoming the “de facto” Employment Department of CEPAL. At the time there was little analysis on employment issues at the Economic Commission.

Interviewer – The Economic Commission was the initiator of a structuralist approach to development. Do you think that that view of development influenced the World Employment Programme?

Mr Tokman – Yes, indeed. I cannot speak for the World Employment Programme globally, but definitely PREALC work was highly influenced both by the CEPAL development approach and by the WEP thinking. One of the best illustrations was our involvement with the informal sector since the 1970’s. We were inspired by the Kenya Mission Report, but were able to place it in the context of the structural analysis made by Prebisch, Pinto and others, since for us it was not only a survival strategy but fundamentally a result of how development works in dependent developing countries. Dependency from foreign investment and capital intensive technology in a context of rapid expansion of population and labour force resulted in insufficient job creation. The result was discussed in the context of growing marginalized population in the 60’s and their role in the accumulation process.

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Interviewer – Politically, the high point of the World Employment Programme was the World Employment Conference in 1976, I guess, and the basic needs strategy. You were part of that? Did you work on the basic needs strategy?

Mr Tokman – I attended the World Employment Conference and followed very closely the processing of the Report and the discussions held before and during the Conference. I think we have to make two distinctions. One is about the content of the Basic Needs Strategy and the other is the way in which the discussion evolved during the Conference. The latter became a struggle against what was considered a very revolutionary strategy for the House. The Technical Secretariat was able to defend the proposal but clearly, they were not diplomats! I would not say that it was a tactical mistake, but I think it contributed to increasing antagonism in the debates. Major discrepancies were expected in relation to trans-national corporations because of the antagonism inside the ILO between workers and employers, but the problems raised in relation to the Basic Needs Strategy to favour the poor were more related to the fact that the ILO is a specialized agency and not a universal development one. In some sense one could argue that the proposed strategy was revolutionary, but it provided a good answer to the needs of the developing world. It became legitimized later on after the World Bank, UNDP and UNICEF adopted the poverty focused approach.

One positive result was a huge investment on research about basic needs both before and after the Conference. Substantive work was undertaken by WEP in Geneva and the field, by ILO experts and top consultants. The frontier of knowledge was moved contributing with measurement and policy design. At PREALC we had also the opportunity to undertake research and policy advice thanks to a joint research project with the ISS of The Hague. The project in Santiago was headed by Ricardo Lagos who some years after became the President of Chile, and the work undertaken by our Dutch colleagues concentrated on Ecuador. Our interest was on policies to ensure that the poor had access to the basic needs package. Indeed, it was a progressive strategy and redistribution of income was an important component at a time when this was not high in the international or national Agendas.

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Interviewer – Before we come on to the 1980s, something more political, in the 1970s, you were living in the era of military dictatorships in Chile, Argentina, Brazil, Uruguay, others. What was the nature of your relationship? Well, first of all, your assessment of the way the ILO as a whole worked with the dictatorships in Latin America and, secondly, specifically in PREALC.

Mr Tokman – I think it was perhaps our most influential time in Chile. The ILO played a major role and particularly PREALC, but the ILO Office too. It should not be forgotten that many trade unionists were in jail even some were murdered and the ILO protected them. The ILO Office headed at that time by Marianne Nussbaumer played a crucial role actively mobilizing the international solidarity. The military government became aware that the ILO would mobilize international support to protect those in danger, particularly, union leaders.

PREALC also played a different role in Chile and to a lesser extent in Uruguay, by contributing to continue academic work when the universities were intervened. One example has been our involvement in protecting the most important research centres by joining efforts with UNDP our main source of finance headed at the time by Gabriel Valdes, a former Minister of Foreign Affairs until 1970. An increased contribution from UNDP was received especially to support research centres that were considered as “dangerous” for the new authority, but those concentrated the most recognized intellectuals in their countries and internationally. This contribution allowed PREALC to build joint research programmes on employment of outstanding quality and at the same time contributed to the survival of centres of excellence. I think that was a contribution because we helped many people when they were being persecuted and helped in ensuring the possibility of continuing their work. It went beyond Chile and as I was, at the time, the Secretary of the Employment Group of CLACSO (Latin American Council of Social Sciences) we were able to mobilize and support an important network of

professionals involved in the field of employment. This could be a contribution in normal times, but the 70's were not normal and researchers and their contributions were in danger of disappearance.

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Mr Tokman – Before we move out of the 1970s, let me refer to two different subjects. The first relates to the informal sector, since PREALC work on it started during that decade. Our perspective differed from the one adopted in the Kenya Report since we placed the informal sector in the context of the Latin American structural analysis. Many countries and governments were involved. It was a message with different angles. Some were interested in knowing and having the data and we undertook several surveys at country level and placed emphasis in questionnaires designing and on the adequacy of sampling. Others, particularly governments were interested about what policies would be advisable. We worked mostly at two levels. Foremost, on the informal sector promotion within a development strategy, but the other was on direct support policies. The informal sector was closely associated with PREALC by academics and governments. It was part of our institutional identity for governments and researchers.

The second subject is related to the financing of our activities. We were during that period almost fully funded from resources contributed by UNDP, as were the rest of the Regional Teams. That gave us and WEP independence from the ILO regular budget and GB programme screening. Access to RB resources was open progressively and at a slow pace during the 80s.

Interviewer – What do you think? The way I see it was that, actually, PREALC was the one that came and really took the informal sector forward in terms of a strategy and a policy thing because, here, it became a city study focus, with Harold Lubell. It was Calcutta and it was Abidjan, but never linked it like the Kenya one did originally. I think that that is why it survived much longer in Latin America (the work on the informal sector) than here. It was just repeating a series of surveys: urban surveys. That is what they became urban studies, rather than an employment strategy.

Mr Tokman – I agree with that. I think we moved to policies because it was not only a policy for the informal sector but it was as part of an employment strategy since, as correctly raised in the Kenya Report most of the people affected by employment and incomes problems were working there. I think that that is also a major contribution made by the WEP globally. This allowed changing the emphasis from unemployment to underemployment. That was basically what we were talking about; the employment problem was then better understood as a result of introducing the informal sector concept. We moved later to the analysis of labour market segmentation and opened a dialogue with labour market analysts.

Interviewer – In the 1980s, there is widespread perception that the ILO did not respond adequately to the neo liberal agenda. Would you agree with that?

Mr Tokman – I would say that worldwide it is probably true. I do not think that it was particularly the case in Latin America. We invested a lot in building up an approach based on the Social Debt as a comprehensive framework to analyze the employment and equity effects of economic adjustment and of the macroeconomic policies followed. This was first introduced in a speech by a candidate to the Presidency of Brazil who died before taking office and later on, became also incorporated in other presidential speeches in Argentina and Uruguay. These speeches were focused on the debt crisis and on the adjustment policies recommended by the financial institutions. This imposed sacrifices on the people and the claim was raised that those who are always the losers will lose more with this strategy and consequently, inequality would increase. If anything it would increase the concentration. I do not know how strong our influence on government decisions was; but clearly, awareness about the outcomes was increased. The Leaders at that time were looking for different answers and we provided an alternative framework and new ideas about what social debt was and how to repay it. In addition, we

developed a simple methodology that served to estimate how much the workers were losing, how much the employers would win and we also introduced different policy recommendations.

In brief, I do not think that we were absent in the debate of the lost decade. We contributed from an ILO perspective and in a consistent manner with our main priorities on employment equity and social problems during adjustment. This does not deny that the ILO had a low profile in the debate at world level. Partly it was due to our little technical capacity relative to main players like the Fund and the Bank. I would recall, however, the main exception in relation to the Asian Crisis because Eddy Lee wrote an interesting book that constituted the basis to establish a high level dialogue with governments and the tripartite constituency with the active participation of the international financial community.

Interviewer – What about the context in relations to the Bank and the Fund, in the PREALC?

Mr Tokman – Very little, if any.

Interviewer – No direct confrontations or conflictions?

Mr Tokman – No. We were playing in different levels. The Fund and the Bank had easy access to countries because of their facilities for restructuring and stand-by agreements. On the contrary, we were not recognized as macro economists nor did we pretend to be so. What we tried was to offer a different perspective based on employment and equity consequences and raised questions about the consistency of the macroeconomic policy recommendations. We shared most of the views developed by UNICEF in their Adjustment with a Human Face Adjustment and in the '90s with UNDP Human Development Report.

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Interviewer – This link between the intellectual side, the analytical work of the house, with policy, seems to me to be a very interesting area to talk about more, especially since today we have a very different strategy as compared with what we had in the period of the 1970s and 1980s. There did not appear to be, at that time, a real political strategy to ensure that the thinking that was done here had a global impact. Would you agree with that statement?

Mr Tokman – Yes.

Interviewer – And what about nationally? If we go back to the Regions and PREALC's influence in the Region; did you have policy impacts at the national level? What was the mechanism by which you had policy impact?

Mr Tokman – I do not think we had an influence on macroeconomics. Clearly our proposals were weak, except those that resulted from joint research or publications with academic centres or in association to “national think tanks”. I would say, to be honest, it was more the influence that our partners had than our own leverage. Later on in the ‘80s and ‘90s our critique to the structural adjustment policies in the context of the Washington Consensus received more attention and support from our Constituency. There, a critique was made to macro policies, but our focus was on labour markets, social protection and pension reforms. That was already in the ‘90s.

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[Michel Hansenne became the new Director General.]

Mr Tokman – I had not met Hansenne before and his only presentation was his book, written as an experienced Minister of Labour in Belgium. The employment problem in that country was mainly one of functioning of the labour market and hence, of employment services and active labour market policies, which is a correct approach for organized labour markets but of less importance for the developing world. When I left Geneva the broadly advertised job description for the candidatures for my post was for experts on labour market services. The result is that most of the 112 candidates that applied for the job, had experience in developed countries, mostly in Europe, but also in Australia and New Zealand.

It took some time for Hansenne to broaden his approach towards employment. I think he was a bright person. He had a political and technical feeling about what to push for, and he demonstrated that by focusing on the issue of the labour dimensions of globalization and the role that the ILO could play. The 1998 Declaration was a major achievement.

When I arrived to Geneva, still under Blanchard, my first duty was to participate in ongoing consultation meetings between the ILO and GATT. These consultations were a response to the pressure from the workers' group about the need to introduce a "social clause" that would link trade liberalization with labour conditions. Hansenne, recognizing the importance of the issue for the ILO, also supported the process but soon recognized that the pressures in WTO and the divided stand in the developed world made it very difficult to advance in that direction. The story is well known but the ILO managed to be invited as an observer in WTO meetings and in parallel, continue to advance within the ILO in the design of an instrument that would provide a hang to have a substantive presence and influence in the process and to safeguard the interests of the ILO and its constituency. The adoption of the Declaration constituted a major step. It provided a general instrument and, based on my later experience I can say, a very influential instrument. Not only because it reinforced the compliance and ratifications of the fundamental labour rights but also because it allowed for differentiation between standards. Indeed, the latter introduced an important discussion inside the House and the result has been the reinforcement of implementation of ILO standards. This was followed by a major campaign on

eradication of child labour that resulted in the adoption of new convention and a major technical cooperation programme.

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Mr Tokman – The decentralization followed the Headquarters departmental structure. And that was the mistake, because when you deal in the Regions with employment in a comprehensive manner you go beyond departmental boundaries and as a Regional Director once told me, “You (PREALC) are doing all the ILO work in the Region”. Indeed, we were invading other jurisdictions but the jurisdictions responded to a division of labour that could be adequate for Geneva but not for the field. Employment in a broader perspective includes from development and macroeconomics to labour market policies, labour legislation, social protection and other fields. Instead of ensuring an integrated approach in the Regional Employment Programmes that were performing well, the bureaucratic response was to create the multidisciplinary teams. It was not a bad idea but it was poorly conceived because of the reproduction of the departmental division of labour of HQ. Another important reform was to incorporate colleagues from the workers and employers relations to promote social dialogue. It was also a good idea, but the problem is that our colleagues in those Departments were mostly recruited directly for relations and mostly responding to the different parts of the constituency. Their incorporation contributed to increase the dialogue with the workers and employers in the countries but both parties had a predesigned agenda responding not only to HQ but also to Brussels or Paris. The result was that our colleagues became group advocates. That is not social dialogue. Advocacy is good, but the role of the ILO is to focus on promoting dialogue and agreements.

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Interviewer – Do you think that the ILO had much influence, again, on national policy agendas? It was a time when you had Menem in Argentina, with a straight neo-liberal line; you had Fernando Henrique Cardoso in Brazil, who was widely regarded to be distinctly right of centre. Chile, despite the “Concertación” was still in the grip of post-Pinochet policies. The policy environment at the national level was pretty unfriendly to the ILO approach.

Mr Tokman – I agree. This was not only at the national level; also the Bretton Woods Institutions and the IDB entered into the ILO field and had a strong influence. The problem is that the ILO as an institution did not have an alternative message maintaining the same position and instruments of the past. The Washington institutions were able to compete not only because their financial resources, but also because they built a capacity to enter into ILO fields, particularly labour and pension reforms. Why we couldn't influence more with alternative reforms? Of course, we did not have the leverage of the Banks and the Fund, but also because of the lack of renewed proposals.

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Mr Tokman – ...The Decent Work Agenda was very positively received by our constituency in the Region. The introduction of the concept in an explicit manner and linked to specific policies has been diverse according to countries and as expected, since all new concepts at the beginning are subject to questioning. The countries that went further to incorporate the DW agenda in national policies are Argentina, Chile and Panama, mostly during the second half of the 2000's.

My only hesitation about the approach is when I remember what happened in the 70's with the Basic Needs Strategy. It was also an attractive comprehensive proposal to be introduced not only by Ministries of Labour but by countries. Employment creation and quality were also crucial components of the strategy. Certainly, the DWA goes deeper into employment creation and quality involving social protection and placing a special emphasis on social dialogue. It is also a comprehensive strategy not only at the country level but in the global economy. It constitutes a powerful message. There is need to

allocate priorities and to identify sequences, if not there is the risk of remaining at the general statement level.

From an internal ILO perspective the DWA put together the four pillars of the programme. This is an improvement and could help to promote interactions between the different areas, but there is need to advance on developing such interactions conceptually and particularly, operationally. This will probably allow to identify trade-offs among components if they exist. Then, if the entire objectives were complementary, advancing in each of the pillars will ensure decent jobs. But we also know that trade-offs between the components can and do exist, for instance, between employment and protection or between the type of protection and the structure of employment.

I share the high priority allocated to social dialogue, but this should be accompanied by some serious rethinking of the structure and the operational activities as well as on representation. In fact, the Office plays the role of advocates for the two sides - workers and employers – we had as an Institution, a dual personality. The objective of the ILO is the promotion of social dialogue, but the practice is to reinforce the capacity of each of the incorporated groups to agree on common issues. The technical support is given to both parties and even, three, if government is actively involved. The ILO is not adequately empowered to be mediator and be recognized as such by the parties involved. My experience in participating in some dialogues is that national representatives of all sides should be helped at one stage of the dialogue in identifying where the differences are, what are the costs and benefits at stake and what the international experience on these issues is. The participation of excluded sectors should also be included in the agenda, as well as the procedures to recognize the representation of employers and workers.

Interviewer – Comparing the last few years you were with the ILO with the 1970s, my impression is that in the 1970s there was a large network, analytical, intellectual and academic network, around PREALC. So PREALC was not alone. It was at the core of a rather large group of people with a

common agenda. To what extent is that still true today, or to what extent was that true in 1990s and at the turn of the century?

Mr Tokman – I would say that in 1990s it was still strong. Now the ILO network is probably weaker, particularly because there are new players in our field of competence. At that time, the UN Economic Commission (CEPAL) was not dealing with employment issues. Now they do. The Bank was not involved, now it is very active. The IDB is active and they have abundant resources. They are able to mobilize recognized experts and I have the impression that we are doing very little of that. My own perception is that the ILO still mobilizes some talents, but not in the fields where we are most needed, particularly in the economics of employment and labour markets. The very few macroeconomists we had are not any longer there and the Office, at least in our Region is not covering the subject. Nor do we have trained economists dealing with labour markets, a discipline that has expanded notoriously and at the same time has become more sophisticated. Besides the core of the debate on labour market reforms is about the effects of labour law on the economy and particularly, on growth and employment creation. The same is the case in relation to wages and wage policies.

Today in Latin America the analysis of labour markets has to include a sound economic sustainability and that requires well trained economists if the Office aims to be taken into account by specialists be it in governments or academia or even advising the groups. It is necessary to complete the DWA to become more inclusive, since although rights, dignity and security constitute the core, their implementation requires to be convincing about its economic sustainability.

Interviewer – ...You highlighted the informal sector as an area where there had been a real contribution in the 1970s and 1980s. What do you think is the situation today? There is still a widespread belief that the ILO, its structures, very much its goals are built around the objectives of a relatively small fraction of the population, which is represented within the Organization and you have

quite extreme statements to this effect. So, on the basis of all you have been doing on the informal sector over the years, do you think that the ILO can have an effective strategy for the informal sector?

Mr Tokman – I do. I think we have moved continuously in improving the understanding and creating increasing agreement on what is and what to do with informality. The beginning of the discussion in the ILO was on the informal sector. A lot has happened after three decades since Kenya to the ILC Conference of 2002. The expansion of the concept to the informal economy, but retaining the informal sector as a component, creates some confusion, but adds more potential to the concept. On the other hand, I also think that the recognition of increasing linkages by subcontracting practices due to decentralization of production and labour opens new opportunities and challenges to update our own concepts of informality. The conceptual advances have opened already new areas for policy advice.

I have written about the policies that could be adopted and are being applied in several countries. I have also been a member of the UN Sub Committee on defining an Agenda for Labour Rights of the Commission on Legal Empowerment of the Poor. All these have been collective efforts to which the ILO has contributed with the knowledge that we have acquired about informality. Labour relations have to be recognized for workers to become subject of protection. In addition, the effectiveness of the recognition is associated with the unit of production where employment takes place. A significant share of unprotected workers is employed in micro establishments. There, the issue is also of legal recognition of the labour relation, and of the capacity of the productive units to comply with the obligations. This requires a different strategy that while safeguarding equal treatment also takes into account upgrading the feasibility of implementation. This includes from the introduction of progressive floors of labour rights to the reorientation of labour inspection.

Another field that is also closely linked to the work on informality is related to subcontracting practices. The ILO has advanced, though slowly, on the recognition of a labour relation and obligations in cases of multi-enterprises involved. Also new legislation and practices are introduced at country level. This aims at reaching from old arrangements of homework to subcontracting in strategic high productivity

sectors. Recognizing the responsibilities of all units involved constitute a requirement to ensure their implementation. The work on informality contributes to understand and improve the enforcement of labour rights. The ILO was one of the pioneers in the subject but many others have entered into the debate with different perspectives. However, the ILO has been able to incorporate them into the debate and more importantly, into the policy discussion.

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On the issue of representation and social dialogue the ILO accepts passively the monopoly of trade unions and employers. However, more than 60% of the labour force and the majority of the poor are neither in workers nor employers organizations. I am not suggesting creating an alternative movement. It is for them to decide, but there is need to help them to become organized. The ILO could go further by steering a discussion about whether they should join the unions or the employers' organization or adopt other forms of organization. We will internalize better what is going on in the world of work by anticipating the future. The tripartite structure responded to an organization of production that is continuously changing. Several movements are taking place that can be supported. Both unions and employers organizations are trying to expand their constituency. It involves not only recruitment but also innovation. For instance, many are active in organizing street sellers or garbage recycling as workers organization but adapted to the fact that counterparts and needs are not similar to those of organized labour. To pay more attention to these initiatives will contribute to renew the ILO culture. I am not suggesting reforming the ILO present system of governance, but the Office can change the way in which it works with an enlarged constituency.

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