

## Globalization, workplace and health

*A preventative approach for better health and the reduction of accidents and diseases in the workplace must be linked to labour inspection services. These services have a pivotal role in giving advice, providing information, and promoting compliance with labour standards in the workplace. As globalization unfolds, strengthening labour and health inspection is now more crucial than ever for ensuring a high standard in labour protection and health promotion, thus contributing to the promotion of decent work for all and to overall economic stability.*

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During the last decade, world trade has been growing at a rapid pace, about 8.6 per cent per year (Woodward, 2001). This has benefited numerous people, but has also shown disadvantage to many others, especially concerning health and safety in the workplace. As industrialized countries have shown massive growth, the less developed countries have fallen even further behind as the difference in Gross Domestic Product (GDP) per capita between the 20 richest and the 20 poorest countries grew from 18 times to 37 times higher from 1960 to 1995.

### Emerging challenges of globalization

Globalization has had a profound impact on the promotion of human rights, health, and safety throughout the world in both positive and negative ways. One effect is that much of the manufacturing sector has moved to less developed nations, which often use technology that is considered dangerous or obsolete in their production processes. Even as globalization has led to an increase in low-paid and low-skill jobs in unindustrialized nations, almost one-third of the eligible labour force remains unemployed or underemployed today. As corporations have begun to transcend national boundaries, the historic institutions such as collective bargaining and state regulatory commissions that have traditionally maintained secure and humane working conditions have begun to deteriorate.

In recent years, industry has shifted to developing countries that often have comparatively lower standards in Occupational Safety and Health (OSH) and Work

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Health Promotion (WHP). Globalization has contributed to the alarmingly high rate of workplace casualties that exists today. About 2.2 million work-related deaths are reported on an annual basis, and the costs of accidents at work reach 4 per cent of the global GDP. In light of this, it is essential that worldwide health and safety standards be brought up to code as quickly as possible.

This article draws from the Report of the World Commission on the Social Dimension of Globalization, which examines the process of globalization through the eyes of ordinary people, drawing on extensive consultations with a broad range of actors in different parts of the world, and some of the best available expertise on the many complex issues involved (ILO, 2004a).

### Effects of globalization on the workplace

Globalization affects all facets of the working world, giving rise to new forms of work and expanding other existing working models. This phenomenon is at least partially to blame for a certain lurking menace to workers' health. For example, in the United States, the average number of hours worked in a year has been climbing recently. The workers in the United States now work some of the longest hours out of any workers in the world (1945.3 hours per worker in 1994). A number of surveys conducted between 1977 and 1996 show remarkable upsurge in the amount of work placed on workers in increasingly shorter amounts of time (Landsbergis, 2003). The increased pressure and related stress exposure lead to the development and spread of work-related ailments. This phenomenon is far from new, but has been shifting from primarily physical maladies to more psychosocial afflictions. This presents a clear and serious problem, because this sort of ailment has been shown to be more serious than usual. According to the National Institute for Occupational Safety and Health in the United States, this has become a huge problem all around the world. One of many examples are precisely the United

States, where "affected workers experience a much greater work loss than those with all nonfatal injuries or illnesses – 25 days away from work compared with 6 in 2001". Additionally, downsizing has been shown to cause effects on the health and safety of workers. Fatal accidents increased in this study after companies downsized their workforce in the construction and manufacturing sector. Good mental health is important for both individuals and for society. At the individual level, good mental health enables people to realize their intellectual and emotional potential and to find and fulfill their roles in social, school and working life. At the society level, it is a resource for social cohesion, better social and economic welfare and facilitates the transition into a knowledge society. Poor mental health is a common phenomenon: a significant share of citizens in the European Union (EU) – studies suggest up to 27 per cent – experience a mental health problem. Mental health problems, a leading cause of disability, can drastically reduce the quality of life of the affected and their families. The most common mental disorders in the EU are anxiety and depression. In Europe, depression is present in 4.5 per cent of the general population every year. By the year 2020, depression is expected to be the second most common cause of disability in the developed world.

Mental health problems are a challenge not only for the health sector, but for society as well. Beyond the implications they hold for affected citizens and their families, mental health problems impose significant costs on society and its economic, educational, social, criminal and justice systems. Mental disorders are one of the top three causes of absenteeism from work, and are a leading cause of early retirement. It has been estimated that the economic costs of mental health problems result in the loss of up to 3-4 per cent of the EU's GDP, mainly through a decrease in productivity. It is important to remember that workers' health is just as fundamental in today's demanding and competitive business environment as it always has been. A close watch must be kept

on the increasing demands on employees in order to avoid causing work-related health problems.

Globalization has caused the transfer of low-skilled manufacturing and processing jobs to less developed countries. This is one of the major factors that has led to the formation of numerous Export Processing Zones (EPZ), a phenomenon that has developed largely in the face of globalization. Curbs on trade union freedom, restrictions on the right to strike, an absence of collective bargaining – these are still all too often the rule rather than the exception in EPZ. A report prepared for the ILO Governing Body in 2003 looked at the situation in the zones. While employers point out that many of the problems cited for EPZs also arise elsewhere, and that conditions in firms within the zones are often better than those outside, the report nonetheless emphasized that working conditions and worker health and safety remained a major concern in the zones of some countries.

The EPZ represents a special case of the effects of globalization on the workplace and health. It has been linked to the frequent incidence of high stress levels among workers, and exposed them to hazardous labour conditions. The workers in these zones often develop health problems, such as cardiovascular, reproductive, and psychosocial disorders, from these atrocious conditions. Additionally, workers in EPZs are often housed in incredibly unsanitary conditions, in which sexually transmitted infections such as HIV/AIDS are prevalent. The ILO recently introduced a handbook for labour and factory inspectors to deal with the issue of HIV/AIDS in their work. HIV/AIDS has a profound impact on the workplace as it can hinder production, raise costs, and create many other problems. On this issue, the ILO has published another handbook, which aims to establish effective communication between workers and employers in the hopes of preventing the spread of the illness, and dealing with the consequences of its presence. The ILO Code of Practice on HIV/AIDS provides a framework for

action resting on the three pillars of prevention, care and rights (ILO, 2001).

Another facet of globalization is the rapid growth in the number of migrant workers. For example, the number of Mexican migrants to the United States has been on the rise recently. In 1970, 3 per cent of Mexico's total labour force resided in the United States and, by 2000, this number had reached 16 per cent. Less developed nations have had a large presence of these workers for quite some time, and globalization has only served to increase this trend. Migrant workers may be found in various industries, chiefly in construction, agriculture, and manufacturing. They are often exposed to poor working conditions, and may be further disadvantaged by a limited knowledge of the language and laws in their host country. The ILO report on migrant workers describes safety and health issues as a major concern as these workers may be involved in hazardous and risky jobs. Language barriers, exposure to new technology, family disruption, poor access to health care, and stress and violence are the specific problems faced by migrant workers, leading to higher vulnerability to safety and health risks at the workplace (ILO, 2004b). For example, in Southern Africa there have been a multitude of unreported cases of serious respiratory disorders among miners that were most likely developed on the job.

As globalization continues to grow, the sort of economic and trade policies that are developed tend to encourage certain trends. As production spreads throughout the world, trade barriers are beginning to fall, and manufacturing centres are starting to spring up in many less developed nations, often leading to lower health and safety standards in the workplace. This is partially caused by the labour surplus that nearly always exists in less developed nations and by the related growth in the uncovered labour market. As many workers cannot find traditional employment, they are forced into the unenviable position of taking jobs that are wrought with hazard due to the lack of enforcement of labour laws (Portes, 1994).

## **Safety and health as a basic human right: Legal framework**

One of the fundamental tenets of new economic reality is the desire for the lowest possible costs of production. The cost of capital is generally lower in places where worker health is a secondary issue, and OSH rules are often overlooked. According to some, the rise in globalization and the spread of capital to unindustrialized nations will lead to a “race to the bottom” in labour standards (Singh/Zammit, 2004).

There is much support in the international community for the formation of worldwide versions of national regulatory agencies that will establish minimum standards of workplace safety and health, and national inspectorates to monitor and enforce them. This support rallies around the focal point of the ILO’s core labour standards, one of the furthest reaching international accords working towards securing decent working conditions as a basic human right. These core standards include freedom of association and collective bargaining, freedom from forced labour and discrimination, and the abolition of child labour. The ILO tripartite declaration of principles concerning multinational enterprises and social policy requires common standards across all branches of multinational enterprises. The code of practice on safety, health, and working conditions in the transfer of technology to developing nations requires technology-exporting states to inform importing states about hazardous chemicals or technologies.

There are several international Conventions on migration and migrant workers. For example, in 2004, the International Labour Conference proposed the elaboration of an “ILO Multilateral Framework on Labour Migration” containing non-binding principles and guidelines for a rights-based approach to labour migration. Equal treatment between migrant workers and nationals and respect for the basic human rights of all migrant workers, as enshrined in ILO Conventions Nos. 97 and 143, are central to this approach. The ILO framework encourages the use of labour inspection to apply

national standards to migrant workers. While government has the responsibility to adopt standards, labour inspectors play an essential part in promoting compliance with them, including for migrant workers. The inspectors monitor conditions of work, and present a forum in which the workers may seek help. The inspectors also fill a crucial gap in the field, as migrant workers are often regulated poorly by the national government.

## **Holistic approaches for OSH and WHP**

Globalization requires increasingly integrated and holistic approaches, taking into account the changes in the world of work and the advent of new risks and opportunities merging the traditional technical and medical with the social, psychological, economical and legal areas. To protect and enhance the health of people in the workplace in the worldwide economy, practical strategies have to be worked out to make decent work become reality. A mainstay of the mutual efforts is based upon the understanding that a preventive safety and health culture at the workplace has to be developed so as to promote a sustainable decrease of occupational accidents and diseases.

To achieve the goals of the core labour standards, we must utilize a three-pillar strategy. The three key aspects of this strategy are national and international organizations such as the ILO and the WHO, corporations, and public-private partnerships. The tripartite decision-making process within the national and international organizations has three constituents – government, employer, and worker representatives – and serves to give counsel with regard to global policy. Labour inspection plays an important role within these organizations, acting as the enforcers of the guidelines set in place by them. Much of the responsibility for promoting a health in the workplace lies with the companies themselves. The promotion of a healthy workplace must be pursued from within the company as well.

## *Networks and institutions*

To realize effective WHP and OSH, we must promote the core labour standards on a broad scale. The first mainstay of the three-pillar strategy is the use of national and international networks and institutions. National and international organizations have the power to develop and promote policy throughout the world, shaping the workplace into a healthy environment in the face of globalization. The ILO as a tripartite decision-making body is a perfect example of this idea. The ILO has an excellent record in developing and promoting international policy regarding labour standards. For example, 134 countries have ratified the ILO Labour Inspection Convention, 1947 (No. 81), which calls for labour inspectors to play a preventive role in the workplace in terms of health and safety. It also calls for workers and employers to cooperate to improve health and safety in the workplace. This Convention was put into effect with great success in Luxembourg in 2002. An ILO Tripartite Audit was performed, and the Luxembourg government used the recommendations given to reorganize its labour inspectorate. This illustrates the profound impact that the ILO and other policy-making organizations has on health and safety in the workplace. This also emphasizes the need for the widespread implementation of integrated labour inspection systems on a national and international level. As a holistic approach, it provides coordination and direction to the efforts of various parties to improve conditions in the workplace.

Another good example is the Ottawa Charter, drafted in 1986. This charter outlines the key developments that must be taken to promote health and establishes that health is a major concern, and must be kept in mind when considering development initiatives in any field. The charter, which serves also as a basis for the European Union process of enlargement, looks to implement changes and programmes with regard to cultural and economic differences, and to promote total support for healthcare initiatives on a local, national

and international level. It also supports the idea that health should be an integral part of every major development, including the workplace. The charter reads, "Changing patterns of life, work and leisure have a significant impact on health. The way society organizes work should help create a healthy society". This clearly implies that the health and safety of workers should not take a backseat to the drive for higher profits in the rapidly growing global economy. While this programme has done much to further the development of European Health Promotion, a study by Ziglio, Hagard, and Griffiths (2000) found that the programme could be taken even further. The major hitch in the current system is that it does not have sufficient muscle to tackle any significant problems. The authors call for the implementation of programmes that are ingrained in both the administrative and commercial sectors of nation rather than isolated or ignored. All of this ties in to the overall idea that health must be kept in the line of sight of policy-makers, corporations, and the international community in the face of constant development.

## *International framework agreements*

Corporations, as the physical site of the workplace, hold an extraordinary amount of influence over worker health and safety. Corporate social responsibility (CSR) has grown in importance in recent years, receiving much attention from the academic world (Zimmer/Rühl, 2005), even if this notion remains to be clarified. Corporations have begun to undertake simultaneous operations in economic growth, environmental protection, and social equity in business planning and decision making in order to appeal to the interests of all of their stakeholders.

In the 1970s, international organizations, including the ILO and the United Nations, made an effort to introduce international codes of conduct but were ultimately not successful. Fortunately, the interest in the social dimension of business

had increased again during the course of the 1990s. These days, social responsibility initiatives are primarily the result of actions by consumer groups and other non-governmental organizations, as well as by Global Union Federations, known as GUFs and covering trade unions in the various sectors of industry and services. Indeed, international labour standards, including those concerning safety and health at the workplace, are cited more frequently within international framework agreements (IFA) between multinationals and GUFs than in any other initiatives on corporate social responsibility, according to an information note on corporate social responsibility discussed by the ILO Governing Body in 2003.

Even if the framework agreements are not, strictly speaking, part of the corporate social responsibility concept, they are often mentioned in this context. Another interesting aspect of the framework agreements, the note emphasized, is their follow-up procedures for verification, dialogue and, if necessary, complaints. Between 1999 and 2006, some 40 framework agreements have been signed. Apart from the eight core Conventions of the ILO, the framework agreements also often cite Convention No. 135 on protection and facilities to be afforded to workers' representatives in the enterprise. In addition, the company party to an IFA should often agree to offer decent wages and working conditions as well as to provide a safe and healthy working environment. Furthermore, there is a general agreement that suppliers must be persuaded to comply and, finally, the IFA includes trade unions in the implementation. On the other hand, the codes of conduct adopted by multinational enterprises rarely make reference to the core international labour standards. In fact, the ILO note said, some of them "even contain language that could be interpreted as undermining international labour standards". The OECD Guidelines for Multinational Enterprises and the ILO Declaration on Multinational Enterprises and Social Policy also remain important mechanisms in the context of corporate

social responsibility, including in the field of safety and health.

### *Public-private partnerships*

Effective promotion of worldwide health and safety standards in the face of globalization requires the permeation of information on an international level. This must be accomplished on an intermediary level between government and corporate interests. For this, we must look to public-private partnerships (PPP), which have undertaken many successful campaigns in the past to overcome dangers present in the workplace. There are many dangers inherent in work that could be reduced or eliminated with the promotion of a prevention culture through education.

The ILO and WHO participate in a number of PPPs. These coalitions transcend national boundaries and bring together at least two parties, a corporation (or industry association) and an intergovernmental organization. The proliferation of PPPs has expanded greatly in recent years, and is rapidly reconfiguring the landscape of international safety and health. Several factors have caused this trend. There are generic factors, such as market failure in special research product development and a lack of high safety standards. These partnerships demonstrate exciting new possibilities for tackling problems that formerly seemed intractable, including research and development on drugs and vaccines for diseases that disproportionately affect the poor. PPPs have been able to promote sustainable practices by showing that these goals are achievable along with financial gain. Industry incentives for the development of safer and healthier products are being generated and, with an improved image, the commercial sector may be able to attract new investors and establish new markets.

The ILO started a successful PPP in 2004 in cooperation with Volkswagen AG and Gesellschaft für technische Zusammenarbeit (GTZ: German Technical Cooperation Agency). The German Federal

Ministry for Economic Cooperation and Development sponsored the project out of their poverty-reduction programme. All relevant steps were discussed and decided in a tripartite steering committee. They agreed upon a Declaration on Social Rights and Industrial Relationships including the affirmation to assure the principles of core labour standards within the company and throughout their supply chain. The overall objective of the project is to establish and implement a national SafeWork action programme in three countries, based on ILO standards, focusing on occupational health and safety and the pilot implementation of a prevention culture at enterprise level in each partner country.

By establishing a health and safety prevention culture, the economic losses caused by accidents, incidents, early retirement, or sickness benefits could be significantly decreased. These unspent budgetary funds could then be invested to increase the enterprises performances and create new jobs, allowing the poor to be able to escape the vicious cycle of poverty in the long run. Numerous studies have shown that health promotion saves money on medical costs in the long run (Kreis 2004). Policy makers, labour inspectors as well as health and safety experts, all play an important role in the prevention process and the initiation of a shift from short-term profits towards long-term investments in safety and health.

Establishing and implementing a culture based on health and safety prevention at the national level requires the active participation of the labour inspectorates. Labour inspectors are the only state enforcement agents that have access to all of the enterprises necessary to transmit health and safety messages in an effective manner. Therefore, it is crucial to increase the labour inspectorates' capacities in terms of organizational structure, frequency and quality of inspections, knowledge on its advisory role, competency, etc., in a sustainable approach. This shall be achieved through a range of proposed activities, such as policy analysis and policy reform, the development of

training modules, the training of national labour inspection trainers, the setting up of a competency network, and the development of international guidelines on supply chain management.

## Conclusion

What must be established and agreed upon are fair rules for international trade, investment, finance, and the movement of people, which take differing needs and capabilities into account. This requires an intensified dialogue process at all levels, bringing the key actors together to work out methods for handling major global issues and putting them into practice. Fair globalization also calls for more emphasis on a national level, for improved governance, an integrated economic and social agenda, and policy coherence among global institutions. After all, globalization is an important issue for every worker. Along these lines, national policy-makers should use the available resources of corporations, national and international networks and institutions, and the combination of the two in the form of PPPs to strengthen the capacities of every company, institution and, most importantly, the well-being of each and every worker. These measures have been identified as useful tools to promote and secure employees' health, workplace security, and investment in a preventative culture. A preventive approach for better health and the reduction of accidents and diseases in the workplace must be linked to labour inspection services. These services have a pivotal role in giving advice, providing information, and promoting compliance with core labour standards in the workplace. Labour inspectors are the controlling authority for OSH and many work-related activities. The effects of globalization have changed the role of labour inspectors who now perform the roles of facilitation, advising and networking. Strengthening labour and health inspection is crucial for ensuring a high standard in labour protection and health promotion, thus contributing to overall economic stability.

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