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Fair Globalization – Fair Employment

Ladies and Gentlemen,

The ILO World Commission on the Social Dimension of Globalisation discussed the consequences of globalisation in its report. The joint chair of that Commission was the President of Finland, Ms. Tarja Halonen. The Commission's work revealed that there are difficult questions waiting for answers before balanced development can be achieved.

Globalisation affects the everyday life and work of individual employees. At its worst, employees may see globalisation as a violent, sudden change to their own culture or as an accelerating pace of work and exploitation.

At its best, globalisation results in new jobs, better working conditions and higher income. The benefits offered by new technology create more opportunities. Such are naturally the expectations in the stream of new investment, and there are many examples of success.

The nature and organisation of work changes and this inevitably affects more and more people. We should influence the changes of the international division of labour. The changes should be carried out so that they can be mainly seen as a possibility for employment and not as a threat. We need to realise that we are acting in a global system of networks, which demands new ways of working.

There has been surprisingly little discussion on the question how globalisation affects the content of work, health and safety at work and occupational health. Is it possible that the differing points of view and objectives, and partly conflicting development trends, make it difficult to discuss this subject? Sometimes one can hear an argument that bad working conditions are moved

moved from developed countries over to developing countries. There is a fear that globalisation causes social dumping where the minimum norms of work are violated and working conditions are poor. Certainly there are such examples but I believe that as a rule the development can be quite the opposite.

New investments can bring about new, safer technology, increased knowledge, better work organisation and management as well as knowledge of the management of occupational safety and health. These can all increase the well-being of people. The well-being of people is also a matter of competitiveness. If we want to remain competitive we must invest in the people and their well-being. Good working conditions promote productivity and high-quality production. This has been demonstrated by several studies.

Perhaps we should not generalise the effects of globalisation on work and well-being at work, because these effects depend on matter and situation. However, there are challenges. First, the challenge is to create more jobs. Work is still the source of all welfare. Therefore, we must make constant efforts for higher employment. Secondly, creating more jobs is not sufficient. Work needs to be decent. We need to follow the fundamental principles and rights at work defined by the ILO. These are the minimum requirements for decent work. Thirdly, we must find effective ways to root out the so-called grey economy.

What we need is rules for cooperation and social dialogue. It is also clear that the rights of workers as well as the development of working conditions can be ensured only by allowing workers to organise themselves. A free trade-union movement should be a constructive resource in the development and implementation of legislation. In the end, it comes down to the question of democracy and its efficiency.

Ladies and Gentlemen,

Let me now outline some methods to improve working conditions. Europe has long traditions of determined working life development. Its basic elements are comprehensive legislation and intensive cooperation between the actors. Active labour market organisations and mutual cooperation have played an important part in improving working conditions. Procedures for cooperation have been established at workplaces where the daily decisions affecting working conditions are made. Attitudes to occupational safety and health and to the development of occupational health have generally become more positive. Safety and health at work is no longer understood as a separate activity but as a part of production and good corporate results. Companies and organisations know how to better utilise occupational health care in their pursuit of effectiveness and competitiveness.

The number of occupational accidents has been decreasing over a relatively long period of time in most European countries. In Finland, the accident frequency ratio has decreased by half in twenty years. The number of fatal accidents has decreased even more. However, in some countries the development and present situation are even better. This encourages us to make greater efforts for better occupational safety and health. We in Finland have been conducting a separate national programme on workplace accidents since 2001 in order to continue and give a new impetus to the positive development.

I think we have every reason to say that in Europe we have taken big steps towards managing occupational safety and health in working life. When talking about the quality of working conditions, we cannot naturally limit the subject on occupational accidents and diseases. Employees' well-being is formed of many aspects that are important for the success of companies and other organisations.

Implementing the Lisbon strategy is a big challenge to the EU and its Member States. Economic growth and improvement of employment are the essential elements of the Lisbon strategy. Higher productivity is a prerequisite for growth. In my opinion, we need to pay more attention to those positive effects that high-quality working life and good working conditions have on productivity. The strategy's main objective includes a requirement on "better workplaces", which refers to the quality of work. However, the issue of quality is dealt with only briefly in the ten key areas of the strategy.

Working conditions are important not only to the well-being of people, but also to the national economies. The European Agency for Safety and Health at Work studied this matter in 1996. The study showed that many of the examined countries had evaluated the costs of work-related diseases to their national economies. The shares they mentioned varied from 2.6 per cent to 3.8 per cent of the GNP. The cost of work-related diseases is a burden to country's public economies through the social insurance system.

The developments of the age structure of the working population and the increased pension costs have been an important issue in the EU in recent years. We must root out age discrimination. In Finland, we have tried to anticipate the challenges. We implemented a special age programme and a programme for employees to cope better at work. At the moment we have an ongoing programme to increase the attractiveness of working life. Our aim has been to increase knowledge, change attitudes, develop practices and coordinate the activities of the players. Since 1996 we have been conducting a comprehensive workplace development programme to support workplaces in their actions for the improvement of work organisation, productivity and quality of work.

It is important that the social insurance system ensures that enterprises neglecting their responsibility to actively improve working conditions are also the ones footing the bill for the costs caused by poor working conditions.

In my opinion, the EU Green Paper of 2004, which deals with corporate social responsibility, brings up important questions and shows a great change in attitudes and actions.

As I mentioned before, the EU and its Member States have long traditions in improving working conditions, and their actions have brought about good results. An important step to intensify these actions was the 2002 to 2006 Community strategy on health and safety at work.

I consider it very important that the Community strategy focuses on well-being at work. Strengthening of risk prevention and the combination of a variety of political instruments are important principles. The Member States, the European Commission and the social partners are responsible of taking the measures for implementing the strategy.

The importance of good working conditions to economy has also been taken into account in the strategy. More importantly, objectives also include the psychological and social factors of work, which have become essential questions in today's working life. A more effective implementation of legislation and the combination of different instruments create challenges to the governments and the enforcing authorities. We should be creative and unprejudiced in developing our modes of action. Occupational safety and health authorities have a lot of knowledge and skills that must be put into use to better serve the needs of workplaces. Authorities must assume an active role as a coordinator and developer. In cooperation between labour market organisations it is possible to find new effective forms of action for improving working conditions. We can surely expect better results by way of cooperation and motivation than by constraint.

A significant principle in the Commission's strategy is a target-oriented approach, which means the setting of concrete objectives for the improvement of working conditions. I welcome this move to introduce the sound idea of result-orientation into authority actions. We already have suitable forums for

monitoring the results, and the labour market organisations are also represented in them.

Ladies and Gentlemen,

Globalisation has brought about many challenges and questions that call for solutions and resolute action. Globalisation can be an opportunity to improve the well-being of people, above all the situation of those in most challenging positions. Balanced globalisation based on sustainable development is of benefit to all. This requires long-term commitment to the improvement of human rights, the rights of women and children, democracy as well as the level of education. Only true democracy and participation give us the means to ensure that globalisation does not lead to social dumping.

To reach this aim, persistent work and wide cooperation are needed both internationally and between the different parties within the countries. Let us be unprejudiced and creative when searching for ways of combining the high level of working environment and social security with the requirements of productivity and economic growth.