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Conference: Fair Globalization – Safe Workplace

Ms. Minister Haatainen, Mr. Minister Biltgen,  
Mr. State Secretary Anzinger, Mr. von Weizsäcker,  
All eminent Participants, Ladies and Gentlemen

It is a pleasure to bring to you this morning the greetings of the Director-General of the ILO,  
Mr. Juan Somavia.

I also wish to express my gratitude to all of you who have come here as conference participants, organizers, and speakers. I would particularly like to thank our German cooperation partners, the Ministry of Economics and Labour, the Mutual Accident Insurance Associations, the Messe Düsseldorf, the BASI and RWE, who all are important partners for this event and international players in a globalizing world.

Wish to start with a quick update on where we are in the “global globalization debate”. In the first part of September, at the United Nations in New York, the Summit of Heads of State and Government adopted a outcomes statement which refers to globalization. To be precise, it expresses (in paragraph 47 of the document) support to the notion of fair globalization as well as to the aim of decent work, employment in development policies, the elimination of child labour and forced labour, and the need to respect fundamental principles and rights at work.

To be very clear, this is a highest possible level support of the ILO-induced process of studying and proposing policies on the social dimension of globalization. This was the task in 2002-2004 of the World Commission on the Social Dimension of Globalization, which was chaired by Presidents Halonen of Finland and Mkapa of Tanzania and of which Professor von Weizsäcker was an eminent member. “Fair Globalization” was a key concept of the report of this Commission.

Another key notion, “decent work”, is based on the strategic ILO objectives of rights and standards; employment for all women and men; social protection; and social dialogue.

Yesterday when going around the exhibition here, I had a kind of a globalization vision. When we can ensure occupational safety and health at a global level, we could have a truly global OSH fair, which would demonstrate different methods and protective gear for different purposes, both high-tech and the more simple things that are needed to make work safer in the informal economy. The underlying market for products and processes is huge. And think of the number of jobs involved – jobs which would be in saving jobs, and not only jobs but the health and safety of people.

It is even more impressive if you look at it against the losses now. The cost of loss of life or of absence from work is enormous. We are speaking of 2,2 million dead every year. Fatal and other accidents cost some 4 per cent of world GDP annually. These are the costs to production

and the state, on top of which come the unavoidable economic and human costs to the victims themselves and their families.

These are what I would like to call real life economics. These costs mean everything to people who gather to talk about them around the kitchen table or in workplace cafeterias. That is where the politics of globalization is made. That is where the benefits, or disadvantages, are felt most of all. That is where the global process is translated into individual questions of incomes and health and security. That is also the decisive vote on whether globalization is fair or not. And that is also where managing globalization starts.

I have a comment to Professor von Weizsäcker. The ILO itself was already in 1919 an alternative to confrontation through a revolution which called itself Communist. ILO action, including rights, has always been strengthened when totalitarian rule has been a real possibility. This was true in 1919 as well as in the late 40s, the 50s and the 60s. But where is the threat now that would force us – or rather, those not here today, as this is a gathering mainly of the convinced – to invest in employment, social protection, labour inspection, occupational safety and health, and rights? And to use social dialogue and tripartite cooperation as a method?

The World Commission on the Social Dimensions of Globalization has reminded us that the world is not far from perfect. But there is no obvious Great Fear, with capital letters, which could be compared to Communist regimes or totalitarian rule. I do not see “terrorism” taking on itself that role today. So I have to ask a rather unpleasant question: do things have to get still worse for them to get better?

And yet, the world is full of human made and natural disasters and diseases, but they are not yet producing the same effect than in 1919 or in the late 40s. Obviously, globalization – which is a threat for some, a promise for others – as such is nor something which would have yet galvanized us into action which would be comparable to the political and economic of the last century.

Maybe this is precisely because globalization is not only a threat but also a promise. And I also retain firmly the belief that sensible tripartite cooperation is the best way to cope with globalization.

One of the important elements in the enforcement of proper conditions of work is labour inspection. In a large majority of ILO Member States it is often the only one that has a comprehensive mandate to deal with all the issues of standards and conditions at work, including basic human right issues. The ILO Convention N. 81 on Labour Inspection has been ratified by 134 Member States, making it one of the most widely ratified standards. It is a priority Conventions and a door-opener to technical cooperation especially in the field of occupational safety and health.

Since labour inspection is often understaffed and cannot cover every workplace, it obviously needs to be strengthened. We need to focus on the core issues of regulatory effectiveness and the good management of enforcement actions. This also includes comprehensive measures to increase the competence and skills of inspectors. Providing proper training to inspectors ensures that they are successful prevention agents, worthy of the investment.

Let me give you a rather striking example. The Ministry of Labour in Ontario increased the number of labour inspectors by 50 per cent. Two hundred additional inspectors were not paid by the Ministry but the accident insurance agency. They targeted only 2 per cent of companies, mainly those, with a poor record and who were responsible for 10 per cent of lost time injuries and 20 per cent of injury compensation costs.

The results were quite remarkable. Ontario now has 9,000 fewer injuries per year and the insurance agency has served an annual 45 million Canadian dollars in workers' compensation costs. This success story, with state labour inspectors in the lead role, could be repeated in many other countries.

Regarding countries in transition, we note that many of them, such as China or Ukraine, have suffered from unsafe conditions particularly in the mining industry. However, China has now adopted the German Mutual Accident Insurance System for all industry and commerce, including mines. Within three years, China has almost doubled accident insurance coverage, from 44 million in 2002 to over 20 million in 2005-. By 2020, over 120 million workers shall have adequate coverage for occupational accidents and health costs.

The example of China also links with our aim to promote a health and safety culture world wide. We have developed guidelines, tools and methods to advocate the fact that prevention pays.

Asbestos still kills 100,000 persons a year all around the world. This is one hundred thousand too many. The European Union is enforcing total ban. This summer, Japan became the first Asian Country to ratify the Asbestos Convention No. 162 of the ILO. Asbestos will be entirely banned in Japan by the end of 2008. this needs to be followed up by others, so that the ratification and implementation of a ban on asbestos by industrialized countries does not put pressure on developing countries to tolerate the continued use of dangerous substances.

There needs to be a strong element of solidarity in measures taken by the wealthy countries, so that those who are weaker are also helped. If not, we simply displace the problem, and it becomes yet another example of the "ugly side" of globalization, where sub-standard work and conditions somehow become a solution for countries which are trying to have and keep a foothold in the world market. Much of the international debate has been about labour standards. In addition, it should also be about toxic substances and health hazards at work and close to work.

Let me briefly summarize what this Conference has to offer.

1. It is intended to demonstrate that globalization is a workplace issue and that it will hopefully, increase local responsibility and capacity to tackle such issues.
2. It will highlight good business practices, and examples, which show that safety pays and that all employees of all enterprises, of whatever size, should include health and safety in their core management functions.
3. It will show the important role that labour inspectors have to play in guaranteeing fair and decent working conditions in global markets.