

National Dialogue on the Social Dimension of Globalization in Chile

1. Date and venue

The dialogue was held in Santiago on November 4th, 2002. The meeting was organized by the Santiago ILO Multidisciplinary Team. Mr. Ricardo Solari, Minister of Labour, opened it. He developed the subject "The impact of globalization in the world of work". Mr. Daniel Funes de Rioja, Member of the World Commission, and Mr. Virgilio Levaggi, representative of its Secretariat, participated in the Dialogue.

2. Participants and programme

The one-day policy dialogue assembled more than 50 invited participants: high-level public officials, the heads of the employers' and workers' organizations, business and labour leaders, as well as representatives from civil society organizations, research institutions and the UN system. A substantive debate was generated.

The agenda was structured around two main issues: the impact of globalization on the labour life of the Chileans; and different aspects of being integrated in a global system. The selected subjects were presented and commented by different personalities and there was space for a general dialogue on the subjects.

The participation of social actors in this National Dialogue of the World Commission on the Social Dimension of Globalization was highlighted. The Chilean Dialogue was not an academic exercise but convoked experts, public authorities with employers' and workers' representatives. It was a Dialogue with and between socioeconomic actors.

A comprehensive report of the meeting and other background documents will be posted shortly on the Commission's web site.

3. Key issues and concerns

The dialogue reflected specifically the Chilean experience: a small and open economy that is having a long period of economic growth -since the 1980s- but experiencing a slow down in the latest months; a political life characterized by democratic building, led by a coalition of political parties called the Concertación -that has seen three of its leaders elected as Presidents of the Republic, two Christian democrats and one socialist- and with success stories in the combat against poverty but suffering the inequality that characterizes Latin America.

Among the main areas and issues, the following should be underlined:

A. Socioeconomic and labour

- For public authorities, globalization demands a **renewed approach to the labour market** due to new productive and economic paradigms introduced by increasing free trade and more rapidly information flows, among other factors. The need for *labour adaptability*, based not only on flexibility but also on better social protection, was highlighted, because more equity in the distribution of the risks generated by the new environment is required.

The role of **education** (school and vocational training systems) for promoting equity in the globalization as well as the role in pursuing this objective through **active** (i.e. public and private labour intermediation) **and passive** (i.e. unemployment insurance) **policies** were underlined. Also were mentioned **participate salaries** and **innovation in the organization of work**, as results of collective bargaining and not as consequences of public decisions. Measures as the above-mentioned will contribute to close the gaps and the uncertainty generated by globalization.

- For the workers' organization (CUT), the crucial issue is the relationship between democracy and globalization. Today socioeconomic inequities are worsening and threaten democratic stability. The menace comes not from the barracks, as in the past, but from the streets. Globalization could not be understood only as the elimination of physical barriers to allow freer circulation of goods and capital but should contribute to countries' development based on a strategy focused on *decent work promotion*.
- For the employers' organization (CPC), globalization (through technological developments and productive restructuring, among other factors) changes the labour market and, then, measures to promote economic growth (friendly environment for investment, vocational training promotion, labour harmony and corporate social responsibility, among others) should be taken to contribute in diminishing inequalities.
- For social actors and government representatives:
 - a) *Gender dimension helps to better understand globalization*. I.e., analyzing the relationship between **globalization, world of work and family** –due to changes in the global economy- flexibility appears as a central issue. Especially women with high income see it, as a panacea in making compatible family and working life. This compatibility is understood as an exclusive feminine phenomenon: she could work and take care of her children, which puts in evidence the insufficient masculine insertion in the family (many men have not reached an adequate participation in the familiar space). Flexibility to better assume family responsibilities would be positive if women workers are paid with a full time salary and recompensed with a pension equivalent to the effective dedication that they devote to take care of their families. Reality is not like this.

b) Centrality of **social dialogue** in managing the effects of globalization in the Chilean labour lives. It was explicitly requested to the International Labour Organization (ILO) to contribute to have this kind of dialogue reassumed in the country.

- The issue of **medium, small and micro enterprises** (SMEs) allowed to point their crisis started by mid '90s. The medium enterprises are now small and the micro are disappearing. In Chile big enterprises do 75% of the sales and 97% of exports; nevertheless they only give 13% of the jobs. Among 800 thousand Chilean businesses, only between 7 and 8 thousand fully participate in modernity and globalization. In the SMEs sector there is a high participation of women as entrepreneurs in industry, commerce and even in cargo and people transport.

How could the entrepreneurs of this sector face the challenge of globalization taken into consideration their current burdens? Three factors were highlighted. The need for **access to credit**: a) savings and credits cooperatives –where relationship are more close and personal– could play an important role especially because the State Bank's support programs do not reach small and medium enterprises and b) risk capital fund could help in financing this sector because the traditional banking system is not offering adequate access to financial resources. It was highlighted the importance to encourage **partnerships** as a mean for SMEs to face and participate in the globalization process. A proactive international role of the State was requested "vis á vis" subsidies received by small enterprises in other countries which generate an **unfair competence**, i.e. cargo transport (in the subregion) retail commerce (worldwide).

- Two types of data were offered that the participants considered relevant in order to illustrate Chilean perception of their **economic and labour reality**: a) in a survey for the National Report on Human Development, 74% of the interviewed expressed a negative answer regarding the current Chilean economic system: 53% for reasons related with insecurity, 10% for hungry and 10% for losses; b) 58% considered work only as a mean for obtaining earnings and only 22% as a mean for personal development.
- Mr. Funes de Rioja intervention was addressed to answer the question: **globalization for whom?** He pointed that globalization should benefit all countries and everybody in the countries. Because of that it could not be seen only as an economic phenomenon. Globalization should be based on principles and values in order to have its benefits spread to everybody. He stressed the importance of adaptable labour markets with social protection and the key role of the social dialogue promoted by the ILO to success in economic globalization.

B. Socioeconomic dimension seen beyond itself

In the dialogue there was a shared vision that is not wise to persist in analyzing globalization merely from economic and commercial perspectives. A vivid exchange of ideas was carried out around the following issues:

- Globalization has arrived to stay. It is a going-on process that started long time ago and that it is characterized by ambivalent elements (positive and negative) and sometimes contradictories (damages and benefits). Globalization should be analyzed from its **multidimensionality** and taking into consideration that **it should be governed**.

Any transverse analysis of globalization shows that it is not a uniform process and that it does not arrive to everybody: there are people included and excluded in any of its dimensions. This situation is generating an increasing dissatisfaction that question globalization's basis. Other transverse data is that the predominant understanding of globalization privileges the economic dimension when it has non-economic components and effects even more relevant. The need for a **more holistic debate on globalization is needed**.

- A "smaller" world facilitates the circulation of ideas. A more comprehensive understanding of globalization should take into consideration the role of the ILO and United Nations system in universalizing ideas and principles that form a **worldwide ethics based in values shared globally**. The social and cultural dimension of globalization puts an agenda where rights, hardly difficult to extent in the past, become universally requested. An ecological conscience regarding the menace to humanity common natural goods is also increasingly universalized. It is a benefit of globalization to make people and societies more aware about human rights and sustainable development.

This is a spectacular result that should give basis to **more tolerant** understanding of a complex, plural and diverse world in which identities, capabilities and views about life and the being must be fully expressed. A concrete example: in order to put equilibrium regarding the economicist approach to international relationships, great importance should be given to understand the social and cultural phenomena of those countries to whom commercial exchanges are established. To oversight the cultural dimension has produced violent reactions like the religious fundamentalism.

- From the cultural point of view of globalization it is extremely important the media dimension. The **access to information** is theoretically universal; but how many people have effective access to virtual ways as Internet? Moreover the information given by me universal media is not enough to understand the very nature of certain phenomena. Access to information requires capabilities to process it adequately, because of that efforts should be made to offer more people with these capabilities. Worldwide interconnection makes global local events. The communication industry is a powerful tool in forming the global conscience.

Today the American cultural industry is one of the leading industries in the world, even more important than the automotive. That industry produces entertainment programs, movies, videos, and music that are worldwide distributed. Is Chile a cultural actor or merely passive receptor? It is a key

question because the **cultural industry** is a powerful **educative** and **socializing** factor. Is the society integrated by subjects with critical capabilities “*vis á vis*” the messages that they are constantly receiving? Moreover when the public space enters in the house through the television and became a potent educative element that challenges the efforts of the Chilean educational system in favor of a personalized education.

- In the current globalization economy is strong in relation with a weak society. It is very relevant for Chile because, due to the relative inequality in development, regions and local spaces should be empowered. In Chile there are different ways to participate in globalization; accordingly there are different ways to face it and to be an actor in the “global village”. To participate in globalization demands reflection from the Chilean people about themselves because the way to be in the globalization process is not the same for every country neither for every people in the same country. There are different ways to be part of globalization therefore it is important the analysis about how Chile could and should be part of it. How do we organize to make stronger the society, with more solidarity and integration with citizens that have a strong sense of belonging from the enterprise to the school? The sense of belonging is key to consolidate the country and to give unity and coherence to **the way in which the country and its members participates in globalization.**
- Chile is facing deep changes that need reflection in order to search a country-project on how to participate in globalization with a proper personality, based on broad consensus build on objective realities and subjective perceptions. In this framework a **Chilean Network** was suggested to support the World Commission on the Social Dimension of Globalization in order to better understand this dimension from Chile.