

Taking a Fresh Look at Globalization

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ABSTRACT *Gerry Rodgers summarizes the process and recommendations of the ILO World Commission on the Social Dimension of Globalization.*

KEYWORDS *social justice; fair work; governance; accountability; millennium development goals*

ILO and globalization

In 2001, the debate on globalization was as acrimonious as ever. Sharply opposed views left little space for constructive dialogue. On one side were those who regarded growing international economic integration as a neo-liberal agenda, driven by dominant countries and corporations and serving their interests. Many countries, workers and people, in general, were either adversely affected, or unable to take advantage of the opportunities. On the other side were those who saw globalization as an essentially positive force, and pointed to the many winners. And there were obvious benefits from increased exchange and communication between cultures and peoples.

In the ILO, its Governing Body had – and still has – a Working Party on the social dimension of globalization. The Working Party had helped to reinforce action against child labour in the 1990s, and was at the origin of the ILO's 1998 Declaration on Fundamental Principles and Rights at Work, which aimed to set a rights-based 'social floor' for the global economy. The Working Party recognized the vital importance of making further progress on the social dimension of globalization, and in late 2001 it agreed to the proposal of the ILO's Director-General, Juan Somavia, to set up an independent World Commission on the Social Dimension of Globalization to address the challenges.

The World Commission

The World Commission aimed to break the impasse in the debate. It acknowledged the immense potential of globalization for good. The real problem was that this potential was not being adequately realized. Poverty was declining substantially in some parts of the world but rising in others. New inequalities were developing and employment growth was inadequate. The imbalances and disparities, as the Commission later put it in its Report '*A Fair Globalization: Creating opportunities for all*' were 'ethically unacceptable and politically unsustainable'. Indeed, there were dangers for global stability if the benefits were not shared more widely. At the same time, the Commission did not believe

that the path of globalization was in any way pre-ordained. While some factors, such as technology, were probably irreversible, there was a wide range of policy options that had the potential to deliver a fairer globalization.

The members of the World Commission came from diverse walks of life and parts of the world. They brought authority and experience from the perspectives of international business, of civil society, of trade unions and academia, and of political office up to the highest level. The Commission was co-chaired by two presidents in office, President Halonen of Finland and President Mkapa of Tanzania. In the course of six meetings over almost two years, and drawing on large numbers of dialogues and consultations around the world and a substantial research programme, the members of the Commission forged shared understandings about the directions of change that were needed. Their report made a broad set of recommendations for action aimed at a fair and inclusive process of globalization, given weight by the wide range of perspectives on which it was built.

The Commission set out to establish a common vision of where the future of globalization should lie. It took a critical but positive approach, arguing that the problems of globalization are caused by poor governance at all levels, not globalization as such. And that better governance had to be built on an ethical framework in which were embedded core values such as respect for human rights, tolerance and diversity, accountability and democracy. Following the Millennium Declaration, the goal was to make globalization a positive force for all the world's people – an ambitious goal, but a compelling vision. That meant opportunity for all, and inclusion on terms which were fair. The responsibilities equally lay with all – states and individuals, but also a range of social actors whose respect for a common ethical framework was essential.

Principles of the Commission

Among the principles which the Commission embedded in its work, perhaps the most important was a constant focus on people. With several

elected politicians among its members, the Commission was particularly alert to the importance of this democratic criterion. It regarded balance and fairness as essential underlying principles, along with solidarity, a virtue that was singularly weak at the global level, where poverty and prosperity coexisted without the beneficiaries of the latter feeling much responsibility for the plight of the former. The Commission recognized the critical importance of productive and equitable markets as the foundation of wealth creation, calling for institutions to promote opportunity and enterprise within a well-defined and respected ethical framework. All of this called for an effective and democratic state, and a reinforced United Nations. Ultimately, the goal was a better integration of economic and social policies, and because of the importance of work and employment at the interface between economic and social outcomes, the Commission called for decent work to become a global goal.

Recommendations

The recommendations of the Commission reflected a need for coordinated changes in policies, rules and institutions on a broad front, in order to improve governance at both national and global levels. Paradoxically for a Commission concerned with globalization, it argued that the route to a fair globalization starts at home. National governance built on democratic principles, respect for human rights, gender equality, the rule of law, and adequate voice and representation constituted the essential foundation if the benefits of globalization were to reach people. But the State not only had to be honest and accountable, it had also to have the capacity to manage integration into the global economy, to deliver public goods and to raise the capabilities of people and enterprises. In this process, education and employment were central. Education provided capabilities to take advantage of opportunities, while employment was the key to ensuring that the global economy delivered on people's goals. And employment had to be created locally, in ways which fitted in with people's social, cultural and economic aspirations. It was essential to empower local

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communities and build responses to globalization around their aspirations, rather than leaving them to be steamrolled by global forces.

Moving towards a fairer globalization

In the global economy, many countries do not have the capability to act alone. The Commission saw regional integration as a major stepping stone towards a fairer globalization, through which neighbouring countries can build both political and economic capability and strengthen social policies.

But of course, neither national nor regional action is enough if the rules of the global economy are not fair. The Commission called for fair rules for trade, finance and investment, intellectual property, migration and labour standards. It made the case for not just a level playing field – patently not the case at the moment – but for greater positive action in favour of low-income countries and disadvantaged groups within countries. Along with calls for fairer rules for trade in goods in which developing countries have comparative advantage, it also called for more effective protection and adjustment assistance for displaced workers and adversely affected countries, and a coordinated global growth strategy to promote employment. It argued that new and fairer multilateral frameworks are required for international investment and for the cross-border movement of people, and called for a strengthening of the ILO to promote better implementation of fundamental labour standards.

Along with fairer rules, the Commission called for better international policies, starting with the obligation on all countries to respect their commitments on official development assistance, and in particular to meet the 0.7 per cent ODA target, while encouraging the development of new mechanisms to raise additional resources. Adequate financing for development should go alongside efforts to make decent work a global goal and to build a global socio-economic floor, through greater coherence among multilateral organizations in their global economic, financial and social policies, and by building or strengthening

institutions to embed social goals in the operation of global production systems.

Coherent action at the global level required more accountable institutions. The Commission argued that international organizations should be more accountable to people, for instance through parliamentary oversight. The UN system should be strengthened with adequate resources and more democratic structures. Stronger mechanisms were equally required to enable other important global actors – business, trade unions, civil society – to play a more effective role.

Action, dialogue and policy coherence

For this wide range of recommendations to become reality, action was required at several levels. The basic principle that the Commission advocated was strengthened dialogue and coordination among relevant actors, replicating in some sense the successful process of dialogue within the World Commission itself. Greater attention should be paid to the coherence between economic and social policies at both national and international levels. At the global level, the Commission called for multilateral organizations to launch 'Policy Coherence Initiatives', which would develop common approaches to policies in key areas, starting with the crucial goals of sustainable growth, investment and employment. It also called for 'Policy Development Dialogues' among relevant stakeholders to make progress on issues such as social protection in the global economy, a multilateral framework to permit better management of international migration and a development framework for international investment, among others. And it suggested that a 'Globalization Policy Forum' be created to act as a space for dialogue and debate among all relevant public and private actors on the impact of globalization. Behind these mechanisms for debate and policy formulation there was a need for better research and information, and the Commission suggested that a regular 'State of Globalization' report is needed.

Since the Commission's report was released in February 2004, it has been widely welcomed at all levels. Support has come at the United Nations,

from many Heads of State and Governments, from the European Commission, in the African Union, among G-24 Finance Ministers and in a variety of other forums. A series of actions is under way, promoting discussion of its recommendations, and starting to put some of them into effect. The ILO, as the originator of the Commission, obviously has a key role to play, and is responding to issues raised by the Commission within its mandate in the development of its programmes. The UN system and the Bretton Woods Institutions are also exploring different aspects of follow up at both national and international levels – for instance a

number of multilateral organizations have already come together in preliminary work on the policy coherence initiative on growth, investment and employment noted above. In the course of 2005, as the international community's attention is focused on the achievement of the Millennium Development Goals and the follow-up to the Millennium Declaration, this Report can help to focus attention on the importance of decent work and a fair globalization as instruments to ensure that the global economy delivers on development objectives and the aspirations of people.

Notes

- 1 Gerry Rodgers was Technical Director of the Secretariat of the World Commission on the Social Dimension of Globalization, 2002–04. This article reflects his personal views, and commits neither the ILO nor the World Commission.

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