

Reducing inequality by ensuring decent work for all

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Dear participants,

Let me begin by congratulating ACTRAV for organizing this Symposium and inviting me, as Director of the International Labour Standards Department, to exchange views with you on a very important subject in our today world: “reducing inequality by ensuring decent work for all”.

As highlighted by the background report which has been prepared by ACTRAV for this Symposium “inequality is not an irrevocable phenomenon”. Everyone gathered in this room today is acutely aware of the serious difficulties and inequalities workers, especially vulnerable categories of workers such as migrant workers, women, young, indigenous people, workers with disability and persons living with HIV, are facing with even greater intensity since the outbreak of the financial crisis. The aspiration for social justice, through which every working man and woman can claim freely and on the basis of equality of opportunity their fair share of the wealth which they have helped to generate, is as great today as it was when the ILO was created in 1919.

My presentation will address more specifically one issue highlighted at the end of the ACTRAV report: “what is the role and potential of ILO standards and ILO policy guidance to reduce inequality?” (p.22 of the report).

I. Inequality in our today world

Inequality is a threat to economic sustainability.

The 1944 Declaration of Philadelphia concerning the aims and purposes of the ILO states that poverty anywhere constitutes a danger to prosperity everywhere. If real progress has been made in the recent years in the war against poverty and prosperity has spread to create a new middle class in many countries, three-quarters of the poor are now to be found in middle-income economies. As mentioned by the Director General in its report before the International Labour Conference in June 2012 “That says a great deal about the difficulties of many countries in preventing inequality and poverty even as they grow and develop”. “There is deep concern about widening inequality within and between countries” (Para. 41, 42 and 48 DG report).

One thing is certain: if opinions will vary on the point at which inequality becomes a problem, “the principle that unacceptable levels of inequality, like absolute deprivation and hardship, can pose a threat to social stability and cohesion is inherent to the ILO’s founding concept, which is that lasting peace must be based on social justice” (Para. 50 DG report).

II. Decent work as a solution

However, there is a solution. As reaffirmed by the ILO Director General in June 2012 “access to decent work is the key to ending poverty. The ILO has won widespread support for that proposition” (Para 43 DG report).

What is decent work?

As you may know, the Decent Work Agenda, adopted by ILO tripartite constituents in 1999, has one main objective: achieve decent work for all by promoting social dialogue, social protection and employment creation, as well as respect for international labour standards.

What are International labour standards?

Since 1919, ILO tripartite constituents have developed and maintained a comprehensive set of responsive instruments composed today of 189 Conventions, 5 Protocols and 202 Recommendations which cover all social and labour issues and apply to all workers whether they are in the formal or informal economy. International labour standards are the backbone of the ILO, providing both rights and the enabling conditions for the exercise of these rights.

In the context of globalization, ILO standards provide a normative guide for policy coherence, with a view to ensuring that economic growth can be translated into improvements in the quantity and the quality of jobs, in working conditions, skills development, social protection, gender equality and effective tripartite social dialogue.

The challenges of globalization and the global financial crisis have emphasized the role played by international labour standards. The world has been indelibly changed over the past five years. More than ever before, the necessity of a social safety net has become evident and ILO standards are an essential component of this net.

Indeed ILO standards lay down the basic minimum social standards agreed upon by all relevant actors of the global economy. An international legal framework on social standards ensures a level playing field in the global economy in order to avoid any lowering of labour standards in the mistaken belief that this could give any greater comparative advantage in international trade. As a growing number of research indicates, compliance with international labour standards often goes hand-in-hand with improvements in productivity and economic performance.

Therefore, ILO standards can provide the roadmap upon which appropriate responses and policy mixes to current challenges can be based in order to progressively break away from poverty and inequality.

III. The central role of ILS has been constantly reaffirmed by ILO tripartite constituents in the context of globalization

Since the creation of the ILO, tripartite constituents have regularly reaffirmed the central role of international labour standards to effectively achieve the constitutional mandate of the Organization regarding social justice.

The 1998 ILO Declaration

As highlighted by trade unions' representatives during the recurrent discussion on Fundamental Principles and Rights at Work that took place during the June 2012 session of the International Labour Conference, respect for fundamental principles and rights at work is critical for human dignity and for fair and equitable economic development. The 1998 ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up recognize the particular significance of the fundamental rights, namely freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation. These principles and rights apply to all 185 ILO member States and are contained in the eight ILO fundamental Conventions which are the most ratified.

In the conclusions concerning this discussion in June 2012, ILO tripartite constituents reaffirmed the particular significance of fundamental principles and rights at work "for the creation of decent jobs through assuring the links between economic growth and sustainable enterprises and social progress" (Para. 5 (b) of the conclusions).

The 2008 ILO Declaration

The landmark Declaration on Social Justice for a Fair Globalization, adopted by ILO tripartite constituents in June 2008, confirmed the centrality of these principles and rights in the broader context of the Decent Work and social justice agenda to forge an effective response to the growing challenges of globalization.

The 2009 ILO Global Jobs Pact

In 2009, ILO tripartite constituents adopted the Global Jobs Pact which aims among others at strengthening respect for international labour standards considering that "in order to prevent a downward spiral in labour conditions and build the recovery, it is especially important to recognize that respect for fundamental principles and rights at work is critical

for human dignity, [...] recovery and development.” The Global Jobs Pact also considers that “in addition to the fundamental Conventions”, several ILO instruments are particularly relevant in this respect, including “ILO instruments concerning employment policy, wages, social security, the employment relationship, the termination of employment, labour administration and inspection, migrant workers, labour conditions on public contracts, occupational safety and health, working hours and social dialogue mechanisms”.

IV. International Labour Standards as useful tools to reduce inequality

Social protection floor

In this regard, an important instrument to reduce inequality has been adopted recently by ILO tripartite constituents as referred to by the ACTRAV background report: the Social Protection Floors Recommendation (No.202), 2012 (p. 17 of the report). With more than 5 billion people lacking adequate social security, the Recommendation calls for the provision of essential health care and benefits, as well as basic income security constituting national protection floors and recommends the implementation of social protection floors as early as possible in national economic development. This Recommendation has sent a strong message regarding the need to extend social protection despite the on-going economic crisis.

Workers in the informal economy

Recommendation No 202 explicitly states that people employed in the informal, as well as the formal, economy should benefit from social security. This will be an important element in the first discussion during the next International Labour Conference in June 2014 of the standard-setting item on facilitating transitions from the informal to the formal economy. Indeed decent work deficits are most pronounced in the informal economy where work is often characterized by small or undefined workplaces, unsafe or unhealthy working conditions, low levels of skills and productivity, low or irregular incomes, long working hours and lack of access to information, markets, finance, training and technology. And today, a very high proportion of workers (up to 95 per cent of the workforce in some countries) are in the informal economy.

This is a clear sign that the world of work continues to evolve and that the ILO also has to adapt its pace and tools in the fight against inequality to effectively respond to these new challenges.

Global supply chains

Certainly the classic stereotype of a full-time permanent job, with fixed hours, and a defined-benefit pension on the completion of a largely predictable and secure career path with a single employer, however desirable it might appear, is an increasingly infrequent reality. Today, there is a gradual breakdown of so-called “standard” employment forms and

relations into a myriad of different varieties and production processes are increasingly fragmented into complex and dispersed production chains which may cover several countries or even regions. The fact that private actors are the drivers of constantly shifting supply chains or production networks that increasingly characterize international trade and investment seem to indicate that there are additional opportunities for the ILO to promote decent work in their operations (Para. 70 to 75 DG report).

In this regard, I would like to draw your attention to the fact that in October this year, the ILO Governing Body selected the item “decent work in global supply chains” with a view to a general discussion for the 2016 International Labour Conference. This discussion will offer a unique opportunity to ILO tripartite constituents to discuss this important issue.

Regarding decent work in global supply chains, I would like to refer briefly to an example of already existing successful partnerships: the Better Work programme which is a joint initiative between the ILO and the IFC and which bring together Governments, employers engaged in international supply chains, multinational buyers and trade unions to improve compliance with Fundamental Principles and Rights at Work in the garment export sector. This programme is a good example of the results which can be achieved at a local level, through a collaborative approach of all relevant actors, in combatting inequalities and advancing decent work, in countries where decent work deficits are of particular concern. As a result of the tragic events which resulted six months ago in the death of 1,129 workers with the collapse of the Rana Plaza garment factory building, being the worst industrial disaster in manufacturing worldwide, a Better Work Programme will be shortly implemented in Bangladesh.

Gender equality and non-discrimination

By definition, inequality is the result of violation of the right of equal treatment. ILO standards play an important role in the considerable progress that has been made in the legal protection of individuals against discrimination at work. However, as highlighted by the ACTRAV background report, much work still needs to be done, particularly regarding the global gender pay gap which remains stubbornly high (p. 9 of the report).

Minimum wage

The increase in the number of the working poor is a long-standing concern: the Preamble of the 1919 ILO Constitution refers to the urgent need for “the provision of an adequate living wage”. Nearly a century later, the urgency is no less acute.

In 2009, ILO tripartite constituents agreed under the Global Jobs Pact that “Governments should consider options such as minimum wages which can reduce poverty and inequality, increase demand and contribute to economic stability. The ILO’s Minimum Wage Fixing Convention, 1970 (No. 131) can provide guidance in this respect” (Para. 23 of the Pact).

Interestingly, the General Survey prepared this year by the ILO Committee of Experts on the Application of Conventions and Recommendations, whose role is to provide a technical evaluation of the state of application of international labour standards, deals with Minimum Wages Fixing Convention No. 131 and its accompanying Recommendation No. 135. It is the third time that a General Survey of the Committee of Experts has covered the minimum wage fixing instruments, which demonstrates the importance that the ILO has always accorded to this subject. As underlined by the ACTRAV background report prepared for this Symposium (page 17), these ILO instruments provide valuable guidance for reducing inequality. This is a timely General Survey on a very topical issue which is also high on several Governments' agenda.

This General Survey, which will be freely available on our ILO website by March next year, will be discussed next June within the ILO tripartite Committee on Application of Standards of the International Labour Conference and will be a good opportunity for trade unions to share their views on these particularly relevant ILO standards.

Areas of critical importance for priority actions of the ILO in 2014-2015

According to the Report of the Director General before the June 2012 Conference "one lesson is clear in any case: if it is to remain faithful to its objectives of social justice, the ILO must give priority to the situation of those who are most vulnerable in the world of work: [...] to those in or close to poverty or in danger of falling into poverty; to those working in conditions of abuse and denial of their fundamental rights; to those excluded from society and decent work opportunity; to those whose work threatens their human dignity and physical and moral integrity; and those who live in fear of the future for lack of access to vital social services and protection" (Para. 146 and 147 of the DG report, ILC 2012).

To this end, ILO tripartite constituents have adopted in March 2013 eight areas of critical importance which have been defined for priority action for 2014-2015 in order to respond to ILO tripartite constituents' needs. Among these areas, several are explicitly linked to international labour standards. However, I would like to refer more particularly to the last area which proves to be the most challenging as it touches on a totally new concept: the protection of workers from unacceptable forms of work. Preparatory work on this topic is underway within the Office and an internal meeting I have co-chaired was held last month. ACTRAV participated in this meeting. Without entering into too much detail I would like to share with you one understanding upon which participants have agreed: decent work should remain the dividing line. Indeed, the reference made to "unacceptable forms of work" cannot result in lowering the protection ensured to workers by international labour standards. The added value of this ACI will be to help ILO constituents by providing them with a set of clear markers to prioritize actions, thereby paving the way for further continuous improvements towards the achievement of decent work.

V. The crucial role of trade unions in reducing inequality

The implementation challenge

If the ILO has a “unique advantage” with its responsive body of international labour standards adopted by its tripartite constituents, important challenges remain to ensure the effective application in law and in practice of these rights. To address them countries must have in place the appropriate legislative framework. In monitoring compliance by member States, the ILO supervisory bodies strive to ensure that the rights enshrined in these instruments are an effective means of assisting those living in or vulnerable to poverty or inequality or those most exposed to abuses to consolidate gains.

Crucial role for trade unions

Trade unions have a crucial role to play in achieving decent work for all. As one pillar of ILO tripartism, trade unions are key partners for the ILO as they are involved in the selection of subjects for new ILO standards, in their elaboration and adoption, but also for their ratification and effective implementation. In this respect, trade unions are contributing to the well-functioning of the ILO supervisory system, regarding both the regular supervisory system through the sending of comments on the application at national level of ratified Conventions and the special procedures. Trade unions have the capacity to convey ILO messages at the local level by relying on international labour standards during national consultations or before domestic tribunals in order to advance the decent work agenda worldwide. For this reason, it is crucial to ensure that strong trade unions are enjoying enabling conditions to effectively operate. ACTRAV plays a key role in strengthening the capacity of workers’ organizations. Indeed, effective social dialogue can only exist when strong social partners exist. Taking into account the current challenging economic and social context, social dialogue will be key to rebuild trust and achieve decent work for all.

VI. Conclusion

I will end by echoing one of the most illustrious figures who has inspired us throughout all his life and who will continue to be a deep source of inspiration despite his recent passing. The background report prepared by ACTRAV for this Symposium starts with his words. I will close my intervention with his words too.

As President Nelson Mandela stated in 1994 when he contributed to an article for the 75th anniversary of the ILO: “We cannot develop at the expense of social justice. We cannot compete without a floor of basic human rights. If this is true inside our own society, it is true for the world as a whole”.

I thank you for your attention.