

Meeting report

“The International Labour Organization: Can it Deliver the Social Dimension of Globalization?”

Presentation / Discussion of a Study by Katherine A. Hagen
21 November 2003, Geneva

On 21 November 2003 the FES Geneva office hosted the presentation of Katherine Hagen's study “The International Labour Organization: Can it Deliver the Social Dimension of Globalization?” (FES Occasional Papers No.11)¹. Besides representatives of the ILO, international trade unions and diplomatic missions, Ms. Ursula Engelen-Kefer, Worker Vice Chairperson of the Governing Body (ILO) and Deputy President of the DGB (=German Trade Union Confederation), was invited as keynote speaker.

The paper addresses the question of the ILO's potential to deliver the social dimension of globalization. It especially identifies three crises - the identity crisis, the “effectiveness” crisis and the crisis of “relevance” - the ILO would have to resolve in order to become the social pillar of the international system. *Identity crisis* refers to the problem of “representativity”, a problem which has been largely aggravated by the increase of NGOs in recent years since the ILO - clinging to its tripartite structure - is uncertain how to interact with other actors of civil society. Moreover, the ILO's constituents themselves are having problems with being representative and accountable. According to the author, the identity crisis can be solved through networking, an integration of the different points of view and a strengthening of the organization itself. Since the ILO is a member-driven organization, innovation, however, will have to be pursued via the national level.

Subject of the *effectiveness crisis* is the ILO's supervisory machinery, often perceived as being too complex and not very efficient. In the ongoing discussion about reforming the standard-setting process it is repeatedly proposed to link the enforcement of ILO standards to the sanctions-based machinery of the WTO. Sanctions only bringing publicity but no change, the author, however, considers incentives to stimulate compliance (e.g. trade-related technical assistance) as solution to the effectiveness crisis and recalls the initiatives of the EU and the US in this respect.

The so-called *relevance crisis* finally relates to the question if the core labour standards (freedom of association, right to collective bargaining, abolition of forced labour, elimination of child labour, non-discrimination) are the right ones for dealing comprehensively with the social dimensions of today's globalizing economy. This list - agreed on at the Copenhagen Summit for

¹ Katherine Hagen had served as Deputy Director-General for External Relations and Executive Director for Social Dialogue at the ILO before she established Hagen Resources International, a consulting firm on corporate social responsibility and social dialogue, in 2001

Social Development in 1995 - includes only those standards all countries can be expected to implement regardless of their level of development. It thus leaves out issues like minimum wages and occupational safety and health. Besides, the relevance crisis relates to the problem that trade unions tend to favour the privileged minority of workers in the formal economy. The basic norms and structures of the ILO not having undergone any significant changes since the late 1940s, the author underlines that the ILO's institutional framework needs to be reformed and brought into line with today's social conditions. In particular, the ILO will have to make its principles relevant to workers in all kinds of circumstances and reach out to those currently not protected by or benefiting from traditional collective bargaining relationships. Altogether, it will be crucial for the ILO to take over a leadership role in order to have an impact on the social dimension of globalization.

Following the presentation of the paper, *U. Engelen-Kefer* made some remarks on the issue. Considering it as positive that the ILO has come into the focus of those wanting to change the direction of globalization, she annotated, however, that while everyone is conceding that globalization has to be reshaped and social elements included, there is disagreement about the exact meaning of this. The quest for deregulation - based on the belief, that it will increasingly attract investment and ultimately lead to economic growth - is conflicting with the intention to integrate meaningful and effective social elements.

Just as Ms. Hagen, she emphasized the need to reform the ILO, which - unable to bring its ideas and objectives into the mind of the public - is perceived today as "bureaucratic monster". To improve communication and find better procedures and processes is thus crucial. In her opinion, however, standard-setting will have to stay at the heart of the ILO and its supervisory machinery be strengthened, - this being the only way to ensure implementation of the standards. Agreeing that sanctioning won't be a valuable strategy - in many cases this would only imply putting fines on the poorest countries - she made the tongue-in-cheek proposal to send troops, similar to the UN blue helmets, into the respective countries to protect trade unions and prevent forced labour.

With regard to the ILO's constituency Ms. Engelen-Kefer argued for the tripartite structure underlining that the ILO is the only organization where trade unions are granted an institutionalized influence. In her opinion, excluding them would lead to a disaster, since trade unions - being entitled to take care of the working and living conditions of workers - have a larger mandate than NGOs, which only represent particular interests. She conceded, however, that the tripartite structure might sometimes hinder decisions and that there are limitations to the work of trade unions - they are, for instance, not very effective in developing countries as far as women and child interests are concerned.

T. Fashoyin (ILO) as well advocated for the tripartite structure, but noted that the ILO's constituents are facing problems in terms of coverage, program etc.; trade unions often have difficulties in attracting new members and labour

ministries generally lack power as fiscal and tax policies have come to dominate the area.

According to *L. Swepston* (ILO), the ILO is more effective than any other institution as far as standard-setting, supervision and technical assistance are concerned; its problem is, though, that it has no money (“whereas the World Bank can buy its views, we have to sell ours”). In his opinion, the ILO’s problem isn’t representation neither; the ILO’s constituents may be weak, but “trade unions actually have members, whereas NGOs are mainly four people with a fax machine”. With regard to the core labour standards, Mr. Swepston pointed out that when a more comprehensive group of conventions was considered, nobody voted for it. Furthermore, there will be no majority for imposing labour standards with the help of sanctions.

Addressing the problem of lacking public recognition of the ILO’s work, *I. Herrel* (ILO) then recounted that when, for example, the issue of occupational safety and health is discussed in public, the ILO generally misses the chance to contribute to the debate and thus fails to make itself more visible. In order to gain power, the ILO should be made more accountable and NGOs made part of the process; particularly women NGOs need to be given the chance to bring their perspective into the debate.

Picking up the paper’s title, *R. van der Hoeven* (ILO) stated that the question is not if the ILO *can* deliver the social dimension of globalization, it will simply have to. In order to be noticed by big international players like the IMF or the World Bank the ILO will need to promote reform. Living up to the social dimension will require the ILO, above all, to strengthen its policy making capacities and tackle the challenge of the informal sector. Moreover, increased research and publication is necessary.

Ms. Engelen-Kefer followed, stating that the ILO is pursuing a two-way strategy, with standard-setting on the one, and the tripartite declaration on the other hand; the latter being restricted to the core issues, because otherwise no consensus could be reached. In her opinion, the standard-setting will have to be streamlined in order to separate what is meaningful. Items nationally considered as important might be irrelevant for the world.

Referring to some of the contributions made, *S. Maybud* (ILO) pointed out that the ILO’s social partners are not only weak in developing countries, even in developed countries there are only 10% of the work force organized. The ILO knows well what the problems are, but it is lacking the means to tackle them. With regard to the participation of NGOs she considered as main problem that civil society has more than one point of view, which makes integration difficult.

Ms. Hagen agreed, but underlined the ILO’s need for input. There is some capacity for an advisory approach but not for actual decision-making of NGOs.

E. Adam then stated that after the failure of the WTO negotiations in Seattle and Cancún expectations were directed at the ILO, which now has to discuss issues (e.g. economic policies) that were for a long time regarded as not being in its scope of duties.

Concluding, *Ms. Engelen-Kefer* gave an outlook on the upcoming report of the *World Commission on the Social Dimension of Globalization*, which will set the stage for further action. Moreover, she underlined that, in order to broaden its influence, the ILO should consider extending the deliberations beyond the close circle of experts. In this regard institutionalized forms of cooperation with NGOs are desirable.

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