

Report and Recommendations of the

ILO World Commission on the

Social Dimension of Globalization

EMPLOYERS' GUIDE



INTERNATIONAL ORGANISATION OF EMPLOYERS

January 2005

What the Report means for the ILO¹

- Whether and how any aspect of the Commission's Report is addressed by the ILO is a decision for the ILO Governing Body.
- The Report includes numerous proposals related to the ILO's core responsibilities, with an obvious implementation role for this Organization. A number of other important proposals clearly fall outside the mandate of the ILO. The ILO should not compete with other UN bodies in areas of the Report where they have a historical mandate and where they are technically equipped. Under present financial constraints, going beyond its historical role would be extremely detrimental to the main core objectives of the ILO.
- The Report provides the ILO with an opportunity to focus on the key areas where it can add value and where it has shown its strength and expertise.

The opportunity for the ILO

- Employers believe that the opportunity now exists for the ILO to position itself as the principal agency to develop practical policies for employment generation within the multilateral system.² To achieve the strategy of employment creation, the ILO should intensify its efforts in current activities by helping member States to:
 1. Create the appropriate regulatory and legal environment at local, national and regional levels to enable enterprises to be established and to thrive, thus creating job opportunities and building a culture of good governance underpinned by democratic values;
 2. Develop policies and institutional reforms to integrate the informal economy into the economic mainstream;
 3. Establish national education, training and human resources development policies;
 4. Develop and promote youth employment policies;
 5. Work with the social partners in combating HIV/AIDS;
 6. Develop labour migration policies and responses;
 7. Elaborate workable labour market policies and institutions;
 8. Promote appropriate social protection systems;

¹ Note on the Report :

- The Report of the *World Commission on the Social Dimension of Globalization* is the result of the reflections of 26 independent Commissioners acting in their personal capacities. Unquestionably, its outcome has been a unique intellectual exercise, which provided a non-conflictual approach to the globalization debate and increased the profile of the Organization.
- Members of the Commission themselves did not necessarily agree with all aspects and Recommendations of the Report.
- The Report has been welcomed, but not officially adopted or approved by any UN agency, including the ILO.
- As the Report was intended to foster wider debate of the issues it addresses, a meaningful discussion on the Commission's Recommendations is necessary, including in the ILO, before appropriate actions should be given to its implementation.

² Report Recommendation : *Making Decent Work a global goal*

9. Develop/promote social and labour policies at the national level within the framework of the ILO Declaration on Fundamental Principles and Rights at Work;
 10. Utilize the unique tripartite structure of the ILO and social dialogue to implement effective policies at local and national level.
- CSR: The ILO could play a major role in the growing debate on Corporate Social Responsibility (CSR) - in particular by developing efforts at promoting its MNE Declaration. A specific proposal could be to organize a Policy Development Dialogue on CSR next year, using the IOE and its global network.
 - *For the employers, these efforts represent the greatest opportunity for the ILO to contribute to the achievement of the Millennium Development Goals to combat poverty worldwide.*

How to give effect to that opportunity

- The ILO, with its traditional partners of governments, workers' and employers' organizations, represents the largest network – *of any kind* - in the world. This network is the ILO's biggest comparative advantage and should be the principal means of realising this goal.
- In particular, the essential role of the private sector in achieving developmental objectives is now clearly recognized by all policy makers. The ILO should increase present efforts with the private sector network to help create the conditions conducive to job creation and national economic development. For this to happen, governments must create the conditions to enable enterprises, in particular SMEs, and entrepreneurs to thrive and create an environment conducive to attracting investment. Working with governments, employers' organizations can help develop an entrepreneurial culture and encourage the movement of the informal economy into the formal economy. These are the essential ingredients that will enable more developing countries to access the benefits of globalization.

How to give effect to that opportunity at the national level

- Working with the social partners through technical cooperation
- Fully engaging in the PRSP process - *the key role the ILO can play is in terms of strengthening the capacity of the constituents to participate in this process*

What the Report means for other international organizations

- Employers welcome the calls in the Report for greater policy coordination across the international system.

- There are a number of current existing initiatives aimed at policy coherence in which the ILO should participate.
- The IOE believes that the ILO should pursue a Policy Coherence Initiative in the area of the informal economy and regulatory reform, respecting the competences of the other organizations involved.
- Employers see the ILO's role in such policy coordination as operating, through its Governing Body and International Labour Conference, within its traditional mandate and competencies. All institutions would need to engage in such a process in an even-handed manner, cognisant of each others' mandates and responsibilities and avoiding any duplication.

SPECIFIC REACTIONS TO REPORT'S RECOMMENDATIONS

NATIONAL GOVERNANCE

(A) GOOD NATIONAL GOVERNANCE:

1. Report Recommendation: Institutions for the representation of all interests and for social dialogue

- **IOE Response:** Strengthening the role employers' organizations can play as a 'public good' in terms of creating the conditions conducive to job creation and national economic development is a vital component in seeing the aims of the Report fulfilled. It is the employers' organization - *not government* – that has perhaps the most important role in helping to: create the conditions for SMEs and entrepreneurs to thrive; in creating the environment conducive to attracting investment; developing an entrepreneurial culture; and bringing the informal economy into the formal economy. These are the essential ingredients that would enable more developing countries to access the benefits of globalization.
- Social dialogue is an invaluable ingredient in social and economic progress and, if new mechanisms for dialogue are created, they need to be genuinely effective.
- International social dialogue at a sectoral level should be supported and also adapted to changing realities.

2. Report Recommendation: The role of the State in providing essential public goods and adequate social protection, in raising the capabilities and opportunities of all people and in enhancing economic competitiveness

- **IOE Response:** Governments have a role to play in providing essential public goods – but increasingly these can also be provided (often more effectively) by private operators. Employers' organizations have a valuable role in developing and contributing to this debate at the national level.
- National policies – e.g. in the areas of infrastructure, education and training - are required to enable countries to absorb and use technology. It is only then that external assistance can have an impact. MNEs through their operations can play a role in diffusing the spill-over effects of technology on skills and infrastructure.
- The ILO's education and skill development expertise could be utilized to assist countries in improving their human resources development policies as well as their knowledge of democratic values and good governance principles.

3. Report Recommendation: Sound institutions to support and supervise markets; prudent management of the process of integration into the global economy; and macroeconomic policies for achieving high and stable growth

- **IOE Response:** Governments need to actively promote competition within the economy, which leads to efficiency, productivity enhancement and opportunities for new entrants to the market. They should advocate policies that are just and equitable and not favour one particular sector over another and should be designed to provide market access to all. Supportive institutions, such as a national competitiveness council, should be created.
- The ILO's expertise could be used – in collaboration with other international institutions - to assist countries in formulating appropriate policies and strengthening and improving their governance in order to draw benefits from globalization and attract investment, promote business growth and, as a consequence, creating an appropriate economic environment for enterprises and employment creation.

4. Report Recommendation: Policies and institutional reforms to integrate the informal economy into the economic mainstream

- **IOE Response:** Policy solutions should aim at providing an enabling environment for those engaged in informal activities to be able to progress to the formal economy (and to be able to stay there) without destroying in the meantime their only means of livelihood. Major reforms of property rights systems in many countries excluded from globalization is critical. Employers' organizations have a major role to play in implementing these policies, such as their role as advocates for the appropriate environment for this migration to take place.

5. Report Recommendation: Making decent work a key goal of economic policy

- **IOE Response:** It is more appropriate to have as a policy stance the desire to achieve the highest feasible rate of employment growth that is compatible with macroeconomic stability over the medium term.

6. Report Recommendation: Encouraging the adoption of the right technologies by enterprises and sustainable natural resource management by local communities

- **IOE Response:** The IOE supports the positive initiatives by companies that respond to the challenges of sustainability and their engagement with local communities as appropriate. The IOE encourages the adoption of technologies which respect environmental regulation and which promote economic development.

7. Report Recommendation: Empowering local communities through the devolution of authority and resources

- **IOE Response:** Individual countries need to make their own decisions on what system of governance (i.e. regional authorities, centralized governance structures, etc) is most appropriate for their particular national situation.

8. Report Recommendation: Cooperative action at the regional level

- **IOE Response:** The role of governance is clearly flagged as a key factor in growth and development strategies by governments (i.e. NEPAD initiative). Consideration could be given to developing or enhancing regional inter-country collective review mechanisms to promote good governance (e.g. peer review mechanisms).
- Regional approaches could be taken to international commitments and dialogues. Countries where policy objectives overlap could pool resources and operate as a singular block in certain organizations on certain issues. Formative structures could be designed to assist such cooperation.

9. Report Recommendation: Coherence between national policies and global interests

- **IOE Response:** Governments should act in accordance with the values that they espouse in all fora – national, regional and international. Politicians should be provided with information as to the impact that their decisions taken at a national level have at the international level; ways could be examined to raise the accountability of public officials and elected politicians.

(B) GLOBAL GOVERNANCE

10. Report Recommendation: The multilateral trading system and the international financial system should allow more space for policy autonomy in developing countries to enable them to accelerate their development in an open economic environment

- **IOE Response:** International trade is of major importance to the economies of developing countries. The lesson from some of those developing countries that have developed competitiveness in manufacturing is that a proactive export strategy through developing comparative advantages is vital for building up new export capabilities. However, to succeed there has to be a process of strategic integration into the world economy geared to supporting national development priorities.
- *The multilateral trading system gives developing countries a say in trade negotiations and needs to be supported and strengthened.* Importantly ‘autonomy’ should not become an excuse for inaction or protectionism.
- Special measures to provide infant industries in developing countries with the space to develop could be considered.

11. Report Recommendation: Barriers to market access must be substantially reduced

- **IOE Response:** Removing barriers - both tariff and non-tariff - which particularly adversely affect developing countries with a view to giving them greater market access, and the removal of agricultural subsidies, which are a huge cost to developed country consumers and reduce prices of developing country products in international markets, should be encouraged. Mechanisms should be established that increase awareness and understanding in developed countries of the costs and the impact of tariff and non-tariff barriers.

12. Report Recommendation: Technical standards for traded goods should be set in an objective and participatory way

- **IOE Response:** Increasingly there are new barriers to trade in the form of health and environment standards. Any standards must be designed with a specific, genuine and transparent goal and *not* be protectionist measures in disguise.

13. Report Recommendation: Fair rules for intellectual property

- **IOE Response:** These must balance the interests of technology producers and technology users, particularly those in low-income countries for whom access to knowledge and technology is limited.

14. Report Recommendation: Affirmative action (trade issues) in favour of countries which do not have the same capabilities as those who developed earlier

- **IOE Response:** Capacity building measures and assistance to the poor countries so as to enable them to function better within the international system should be enhanced. In many cases rules and frameworks are in existence - for example, in the WTO there are special and differential rules but they need to be implemented more fully. Mechanisms to encourage and facilitate bilateral trading agreements between such developing countries aimed at reducing these barriers should also be developed.

(C) GLOBAL PRODUCTION SYSTEMS

15. Report Recommendation: Dialogue and cooperation on cross-border competition policy

- **IOE Response:** Increased and better harmonization of competition policies should be advocated – in particular between the EU and US (where most multinational enterprises are headquartered).

16. Report Recommendation: A more transparent, coherent and balanced framework for FDI

- **IOE Response:** Foreign direct investment (FDI) is a key element of wider efforts to promote growth and technology transfer and developing country policymakers must have the flexibility to enact appropriate incentives for multinational enterprises.
- Global production networks provide an entry point for developing countries to develop products, which enable them to participate in international trade. They lead to improvements in product quality, higher productivity and to the development of workforce skills. Being part of production networks is a way to develop local industries, which can have comparative advantages. They can provide the basis for the expansion of industries and skills leading to more broad-based growth.

(D) INTERNATIONAL FINANCIAL SYSTEM

17. Report Recommendation: Greater participation of developing countries in the process of reforming the international financial system

- **IOE Response:** Developing countries have an important role in helping to reform international financial systems, in particular in identifying areas where national systems are weak and need to be strengthened and in identifying the causes of financial crisis. Efforts are making headway slowly at reforming international financial architecture, cognisant of the enormity of the task and the difficulties of restructuring institutions created for a global system of fixed exchange rates.

18. Report Recommendation: Ensure that the supply of emergency financing is increased in times of crisis and is available to countries facing financial contagion

- **IOE Response:** Governments with heavy debt burdens must plan their finances to be able to withstand sudden changes in market conditions. This requires a financial cushion and a well spread out repayment schedule. It is important to remember that governments seeking external ‘crisis’ financial assistance have already run into deep financial difficulties and face a situation where it is unlikely any private credit will be forthcoming. Policy decisions need to be made cognisant of this reality.

19. Report Recommendation: Permit developing countries with underdeveloped and poorly regulated financial systems to adopt a cautious and gradual approach to capital account liberalization

- **IOE Response:** There is a need for sound policy advice in opening up capital accounts in a well-sequenced manner so as to benefit from international capital flows while minimizing potential risks. A sound and appropriately regulated national financial framework must be part of the policy advice. Countries with developed domestic financial markets which are well regulated are best equipped to deal with financial crisis.

20. Report Recommendation: Mechanisms that provide for a fair allocation of responsibilities and burdens between debtors and lenders

- **IOE Response:** The international financial institutions should provide further incentives for countries to aspire to better financial standards while investors should be given more incentives to be more prudent.

(E) LABOUR IN THE GLOBAL ECONOMY

21. Report Recommendation: Increase capacity of the ILO to promote respect for core labour standards

- **IOE Response:** Employers continue to encourage the ILO to promote the principles of the ILO Declaration on Fundamental Principles and Rights at Work more widely.

22. Report Recommendation: Build a multilateral framework for the cross-border movement of people

23. Report Recommendation: A global forum for exchange of views and information on the cross-border movement

- **IOE Response:** At the 2004 International Labour Conference a multilateral framework on Migration to guide the ILO's future work in this area was adopted. Importantly, its implementation must be coordinated with the other current international processes such as the Global Commission on International Migration set up by the UN Secretary-General and also in terms of the Doha multilateral trade round through the General Agreement on Trade in Services (GATS), which is addressing migration.

BETTER INTERNATIONAL POLICIES

24. Report Recommendation: The commitment to the target of 0.7 per cent of GDP for Official Development Assistance (ODA)

- **IOE Response:** Governments should adhere to any international commitments they have made. However, the morass of overlapping bureaucracy in assistance programmes needs to be streamlined to make it more efficient and above all to avoid duplication. Assistance projects need to be genuinely sustainable. Using market mechanisms for foreign assistance is an approach that could be explored, which could serve to eliminate duplication.

25. Report Recommendation: Debt relief should be accelerated and deepened

- **IOE Response:** Governments that have embraced a values-based model of governance need to be supported by the international community and given the environment in which to thrive. Imaginative ways could then be explored to address debts that have been contracted by previous (disgraced) regimes.

26. Report Recommendation: Options for additional sources of funding

- **IOE Response:** Often these can infer global taxes. While this can seem like a obvious solution, in both *practical* and *political* terms, taxes at the global level are unrealistic.

27. Report Recommendation: The potential of voluntary private contributions and philanthropic endeavours for global solidarity should be more fully tapped

- **IOE Response:** Any assistance to a country should form part of an overall strategy with clearly defined goals. Ad-hoc initiatives, *while beneficial*, can result in duplication and/or unsustainable projects, etc.

28. Report Recommendation: More support for socially responsible investment initiatives to channel resources to low-income countries

- **IOE Response:** National conditions must be right to attract investment (e.g. MNEs) in the first instance. While the principal consequence of a multinational enterprise's operations in developing countries will be wealth creation and by extension job creation, individual voluntary initiatives which go beyond this remit should be encouraged and supported.

29. Report Recommendation: International action to raise educational investment and technological capability in developing countries

- **IOE Response:** Investment in education and training policies is perhaps the central most important factor in developing sustainable development. Countries that are implementing such policies need the support of the international community. Employers' organizations have an important role in national debates on spending priorities.

30. Report Recommendation: International action to support national social protection systems

- **IOE Response:** Any national social protection system needs to have national solutions for national situations. The financial burden of social protection has to be borne by society as a whole and not solely by companies. Employers continue to advocate for the implementation of the ILO's Global Campaign on Social Security.

31. Report Recommendation: More effective mechanism for global macroeconomic management

- **IOE Response:** Where it could be relevant, more effective coherence and coordination of those current institutions whose mandate covers macro-economic policy should be encouraged.

32. Report Recommendation: Stronger action and wider social dialogue to promote decent work in EPZs

- **IOE Response:** EPZs have been very positive for the economic and national development of a number of countries. While there has been (and there still is in some instances) some identified problems in EPZs, increasingly governments and social partners are working to address these issues. Research has clearly demonstrated that wages and working conditions in EPZs are higher on average than those existing at national level. There is a need to keep the good and positive aspects of EPZs and engage in solving the constraints in order to keep EPZs as wealth creators in countries where they exist.

33. Report Recommendation: Decent work for all should be made a global goal

- **IOE Response:** Employers support the ILO focusing itself on the goal of Decent Work for all as a goal we can all aspire to. The Commission Report has as perhaps its main objective 'Making Decent Work a Global Goal'. This is an admirable objective but one that will require a real focus on those working in the worst conditions – namely those in the informal economy. In many countries, too many individuals find themselves frozen out of the formal economy, too many countries have extensive regulatory systems that

emasculate business and labour codes that only apply to the privileged few. Real emphasis needs to be given to assisting labour market polices and institutions to enable them to apply to everyone, in a practical way. Regulation needs to work for business and workers – not to hinder them. This objective for the ILO will not be easy to achieve. However, by taking such a focused approach and by utilizing its biggest comparative advantage - its global network of governments, workers’ and employers’ organizations – the ILO is well placed to effect real change.

34. Report Recommendation: Education, health, human rights, the environment and gender equality should all be addressed through an integrated approach

- **IOE Response:** Increasingly what is needed when tackling policy issues at national level such as those mentioned is better integrated thinking. This entails closer coordination between *all* relevant ministries.

MORE ACCOUNTABLE INSTITUTIONS

(F) THE MULTILATERAL SYSTEM AND STATE ACTORS

35. Report Recommendation: The Bretton Woods institutions should increase representation to developing countries

IOE Response: Any changes to the multilateral system need to be made by appropriate experts in a balanced, methodical and structured process that takes into account current political realities and that incorporates current efforts at reform.

36. Report Recommendation: The working methods and negotiation procedures in the WTO need to ensure the full and effective participation of all member States

- **IOE Response:** The WTO is one of the more democratic international institutions and it provides a framework for all countries to operate under – without it undoubtedly the developing countries would be more exposed.

37. Report Recommendation: UN system bodies should strengthen their evaluation units, adopt clear policies on disclosure and publish results accordingly. External evaluations should be encouraged

- **IOE Response:** The availability of more information at the international level and mechanisms for international organizations to make available such information should be explored in order to remove any perceptions of secrecy.

38. Report Recommendation: Heads of State and Government to promote coherent policies in international fora

- **IOE Response:** Governments have to be transparent in their policy objectives and they should be consistent in what they say in *all* international fora.

39. Report Recommendation: Consideration to create an economic and social security council, and a global council on global governance

- **IOE Response:** The existing multilateral system needs to be more effective, better resourced, more reactive and responsive, avoiding duplication and mismanagement. The creation of new institutions will not necessarily achieve this.

40. Report Recommendation: ECOSOC's capacity to coordinate global policies in the economic and social fields should be strengthened

- **IOE Response:** All institutions should aim to work as effectively as they can, while adhering to their respective mandates.

41. Report Recommendation: Financial contributions to the multilateral institutions must be increased

- **IOE Response:** All international institutions need to be able to carry out the mandates they have been given effectively but with certainty as to proper spending targets.

42. Report Recommendation: National governments and parliaments should review decisions taken by their representatives in other organizations

- **IOE Response:** National parliamentary committees to review any decisions taken by national representatives should be considered.

43. Report Recommendation: Progressive expansion of parliamentary oversight of the multilateral system at the global level and for the creation of a Global Parliamentary Group

- **IOE Response:** Global inter-parliamentary links could be improved, cognisant that 'inter-parliamentary bodies' are not 'inter-governmental' bodies.

(G) NON-STATE ACTORS

44. Report Recommendation: The ILO should convene a forum on CSR

- **IOE Response:** An opportunity now exists to open the debate on CSR within the ILO – the ILO could play a major role here (in particular by developing efforts at promoting its MNE Declaration). A specific proposal could be to organize a Policy Development Dialogue on CSR using the IOE and its network. Regional discussions on CSR could feed into a major forum on CSR.

45. Report Recommendation: Formal structures for consultation with the international labour movement and the business community should be established in the Bretton Woods institutions and the WTO

- **IOE Response:** While the ILO has a particular unique structure that positively facilitates the issues covered by its mandate, such structures may not work for other institutions.

Many institutions and organizations have their own unique consultation processes which they feel are most appropriate for their organization. They should not have generic 'models' forced upon them.

46. Report Recommendation: Civil Society Organizations (CSOs) should be transparent and accountable

- **IOE Response:** CSO/NGOs need to be accountable and transparent. Governments must account to electorates, corporations must account to their owners/shareholders, but CSO/NGOs need only account to their membership (which can often be unclear). Representativity is centrally important in this debate. What does a particular CSO/NGO stand for? Who do they represent? Who funds them? These issues need to be addressed.

47. Report Recommendation: Policies to emphasize the importance of diversity in information and communications flows

- **IOE Response:** A free press is an important aspect of democratic societies, and institutions to support freedom of expression and legislation to assist in enabling a free and uncompromised media to operate should be encouraged.

48. Report Recommendation: Better coordination between international organizations and global networks and partnerships engaged in exchange of information, advocacy and resource mobilization in the economic and social field

- **IOE Response:** The involvement of NGOs in international organizations raises complex questions of reconciling participatory democracy with representative democracy, which remain unresolved.

MOBILIZING ACTION FOR CHANGE

49. Report Recommendation: Governments and non-State actors to engage in broad-based dialogues to review and formulate follow-up action at local, national and regional level

- **IOE Response:** Often the proposed straightforward solution for more inclusiveness is to call for NGOs to be given a greater role. NGOs advocate singular issues, often to the exclusion of all else. This can create a radicalism in approach to one particular issue, without taking into consideration other important ancillary issues. The issue of representativity is central to the often unanswered questions of what a particular NGO represents and who? Wholesale calls for 'inclusion' need to be tempered by the fact that these questions often are unanswered.

50. Report Recommendation: *The organizations of the multilateral system should examine their own procedures to ensure that there is coherence of action with respect to universal values and human rights to better implement them in practice, and to improve international dialogue*

- **IOE Response:** Employers want to see a multilateral system that complements itself and works fluidly and coherently in different areas, and where the same universal values are practised across all institutions.

51. Report Recommendation: *National reviews of the social implications of economic, financial and trade policies should be undertaken by the organizations of the international system with a mandate on social issues*

- **IOE Response:** Such a review could be considered if there is support from national constituents.

52. Report Recommendation: Policy Coherence Initiatives (PCI)

- **IOE Response:** A key recommendation in the Report is the call for greater policy coherence and coordination amongst international organizations. Employers welcome the calls for greater policy coordination across the international system and see the ILO's role in such policy coordination operating within its traditional mandate and through the Governing Body. The ILO needs to focus on how it can contribute to wider policies in such policy coherence initiatives through its unique perspective. All institutions would need to engage in such a process in an even-handed manner, cognisant of each others' mandates and responsibilities.
- It is the strong belief of the employers that the ILO has a very important niche within the multilateral system. Increasingly the ILO is focusing on the promotion of employment as the central route from poverty and this is ostensibly a very positive development and one that employers support. Job creation is at the heart of poverty alleviation.
- Employers want to see a multilateral system that works fluidly in different areas, which can overlap, but where competencies remain different. A multilateral system of competing mandates is one that is a recipe for incoherence and breakdown.
- The IOE believes that the ILO should pursue a Policy Coherence Initiative in the area of the informal economy and regulatory reform, respecting the competences of the other organizations involved (see recommendation 33)
- Operational issues:
 - *The Working party on the Social Dimension of Globalization* should be the conduit for the Organization's interface with other international organizations in terms of policy coherence.
 - Any proposed ILO involvement in policy coherence initiatives should be based on specific proposals with specific stated aims and outcomes. Such proposals must come before the Governing Body for prior consideration and approval.

53. Report Recommendation: Policy Development Dialogues (PDD)

- **IOE Response:** The ILO could play a major role in the growing debate on Corporate Social Responsibility (CSR) - in particular by developing efforts at promoting its MNE Declaration. A specific proposal could be to organize a Policy Development Dialogue on CSR next year using the IOE and its global network (see recommendation 44).

54. Report Recommendation: Globalization Policy Forum

- **IOE Response:** Cognisant of resource limitations, existing institutional bodies such as the Working Party on the Social Dimension of Globalization and the mandate of the Organization, the IOE does not support the idea of a Globalization Policy Forum.

55. Report Recommendation: Joint research work

- **IOE Response:** Joint research work in areas of direct relevance to the ILO, if properly directed, could be considered.
- Developing the role of the *International Institute for Labour Studies* could be considered to enable it to become a more independent, visible and recognized resource centre for research on areas that are within the ILO's traditional mandate.

What the Report Delivers for Business³

1. *Identifies that globalization has generated many significant benefits and importantly has great productive potential in terms of economic, political and social development;*
2. *Emphasizes the link between (good) governance, democracy and market economy, the vital components to inclusion in the process of globalization;*
3. *Recognizes the responsibility of all actors in society to contributing to the effective betterment of society;*
4. *Identifies the crucial role of business in combating poverty;*
5. *Underscores the importance of creating the right enabling environment conducive to growth and development (e.g. policies to enable informal economy operators migrate to the formal economy; education and HRD policies; policies to encourage FDI, etc);*
6. *Establishes the importance of a values-based approach - those concepts that constitute the essence of a free market economy such as : Individual responsibility (freedom of choice); risk taking (with its positive or negative outcomes;); competition (reward or recognition); responsibility; respect for the law; respect for the individual and property; transparency; integrity; human dignity; equality; freedom; intellectual honesty; and full respect for the rules of the game;*
7. *Underlines the need to create better governance of the existing international multilateral system through more effective coordination; and the promotion of coherent policies in international fora;*
8. *Acknowledges the need to reduce distorting barriers to market access;*
9. *Outlines the important role of social dialogue, the social partners and the constructive role they can play at all levels.*

³ Please see IOE note for March Governing Body for an employer analysis of the Report (available in members only section of IOE website)

How to achieve ‘A Fair Globalization For All’

1. ***Developing the appropriate national enabling environment for job creation, entrepreneurship and SME development in particular, in both the formal and informal economies.***
2. ***Creating the enabling environment at international level for increased economic integration.***
3. ***Building governance structures that are transparent, free of corruption, democratic and above all genuinely serve the public interest.***
4. ***Improving knowledge of democratic values and good governance principles, as there is now an emerging consensus that the system of governance that incorporates these values and the principles of the market economy offers the best chance of promoting political, social and economic well being for all.***
5. ***Mobilizing the private sector in combating poverty.***
6. ***Recognizing the essential role that employers’ organizations can play as a ‘public good’ in terms of creating the conditions conducive to job creation and national economic development.***
7. ***Raising basic standards through the promotion of the principles of the ILO Declaration on Fundamental Principles and Rights at Work.***
8. ***Devising appropriate, rationale and well constructed policy responses to the issue of migration.***
9. ***Increasing coherence of the current multilateral system in helping to formulate appropriate policies and strengthening and improving national governance structures in order to draw benefits from globalization and attract investment, promote business growth, and as a consequence creating an appropriate economic environment for enterprises and employment creation, as well as improving working conditions.***