



ILO DECLARATION ON SOCIAL JUSTICE FOR A FAIR GLOBALIZATION

EXECUTIVE SUMMARY

of the Explanatory Note

Adopted unanimously at the 2008 International Labour Conference, the Declaration speaks both to the Constituents of the ILO and to the ILO itself.

It reaffirms the existing mandate and relevance of the ILO within the context of globalization.

It calls on the ILO to adjust its working methods and structures to be more aware of and responsive to the needs of its members, avoiding one size fits all solutions and giving better recognition of the social and economic realities of member states

It calls on States to approach the ILO's strategic objectives and the decent work agenda in a more consistent and coherent way, both at the national and international level.

The Declaration requires a refocusing of the ILO's assistance so as to be more relevant to the needs of its constituents, including the employers. It therefore requires employers' organisations to engage, at both the national and international level, in promoting a consistent vision of what the ILO should be doing for business.

By contributing at both these levels, employers' organizations have an opportunity to enhance their own policy advocacy with national governments as well as to leverage those needs more effectively within the ILO and elsewhere where labour and social policy debates are occurring, and to improve ILO responses to these demands.

Employers' organizations need to be aware of the content and thrust of the Declaration and more detailed information and advice follows in this explanatory note. The Secretariat is ready to assist members in realizing the opportunities the Declaration offers.

ILO DECLARATION ON SOCIAL JUSTICE FOR A FAIR GLOBALIZATION

An Explanatory Note

Introduction

After some four years of discussion by ILO constituents, including at two sessions of the International Labour Conference, the “ILO Declaration on Social Justice for a Fair Globalization” was adopted unanimously by governments, workers and employers at the plenary of the June 2008 Conference.

Whilst the Declaration dedicates considerable space to redirecting the efforts of the ILO towards the needs of its constituents, the text, being both political and technical in nature, also provides a number of opportunities for employers, not only inside the ILO itself but, importantly, at the national level to contribute to policy development that favours private sector development as a key part of the ILOs mandate.

Coupled with the Declaration was a separate Resolution. This calls upon the Director General to propose concrete actions that will give effect to the Declaration as well as implementing the changes necessary in the organization of the International Labour Office and its working methods so as to deliver an organization that is more responsive to the needs of its constituents. The Resolution will guide the work of the Governing Body.

This Explanatory Note seeks to assist members in becoming more familiar with the background to and content of the Declaration and identifies the opportunities it presents to employers.

The format of this Explanatory Note follows that of the Declaration itself, a copy of which, together with its Follow-up, are annexed for ease of reference.

Preamble

The rationale for the discussion and elaboration of the Declaration is outlined in the Preamble. The Preamble sets the context for the operative parts of the Declaration that follow it.

Globalization, whilst posing challenges, has also been positive.

Simply put, the rationale is based on the fact that globalization is reshaping the world of work, that its impacts, while creating challenges and problems, have also been positive - an important acknowledgement.

Reaffirmation of existing ILO mandate.

It then refers back to the ILO Constitution and Declaration of Philadelphia, stressing the fact that the ILO, as the mandated UN agency responsible for working towards the realization of social justice, has a key role to play in helping achieve a fairer and improved outcome of globalization and that, in order to improve its impact, reaffirms its guiding principles – particularly that “...labour is not a commodity and that poverty anywhere constitutes a danger to prosperity everywhere”.

In restating the ILO’s mandate, the text does not extend or reinterpret it, rather it draws on existing language from the ILO Constitution itself. Equally important is its reaffirmation of the 1998 ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up.

The text also refers to the ILO’s responsibility, arising from the Declaration of Philadelphia “... to examine and consider all international economic and financial policies in the light of the fundamental objective of social justice”. This language also respects the ILO’s mandate without extending it. It does not mean that the ILO can tell any other agency what it should be doing, nor does it extend the ILO’s mandate beyond labour and social policy. It can, as the language states, “examine and consider” the impacts of their policies.

Decent work to be defined at the national level.

The affirmation of the ILO’s role is also linked to the international recognition given to the concept of decent work. In stating that, however, neither the preamble nor the substantive part of the Declaration or its Follow-up in any way define decent work; that remains an issue for each country to determine, having regard to its own national context and reality. There is no “one-size-fits-all” approach, nor is a global common social floor based on decent work called for.

Recognition of productive, profitable and sustainable enterprises.

Similarly, the Preamble reaffirms the four strategic objectives of the ILO. However, for the first time in such a text, the need for productive, profitable and sustainable enterprises is recognized. For employers at the national level this is an important acknowledgement and should be highlighted with governments in discussions as to how the Declaration could be used at the national level. Linked as it is to other fundamental principles of the ILO - such as social dialogue, freedom, security, social justice, skills development and tripartism - this issue of a productive and profitable private sector can be used as a reference against which national economic and social policy initiatives should be considered.

ILO Capacity to be strengthened to help members achieve their objectives

The Preamble then states the need for the ILO to intensify its efforts to promote its objectives and to strengthen its capacity to assist its members. This is important language, as it is a shift away from an approach of “what can you do for the ILO?” back to its proper orientation of helping constituents – i.e. “what the ILO can do for you?”

Need to define what the ILO can provide

At the national level this provision highlights the need for constituents to be clear as to what help they want from the ILO (rather than the ILO proposing the agenda) and to be able to gauge just how helpful (or not) that assistance has been.

This part also draws attention to a strongly-held view among constituents that, in order to be effective in providing assistance needed, the ILO itself needs to be equipped with the skills, experience and knowledge to be able to show its value to members.

The Declaration therefore sits within that context.

1. Scope and Principles

This part captures the approach that has been advocated by the Governing Body for some time - namely, placing full and productive employment at the centre of national economic and social policy by promoting employment through creating a sustainable institutional and economic environment. Similarly, growth in the economy is seen as a prerequisite for such outcomes. A focus is also given to social security, safety and health and conditions of work. Again, however, there is no international standard or goal stipulated; rather, the request is that such efforts in these policy areas be sustainable and adapted to national circumstances. It also importantly recognizes that there is no single policy approach to these issues.

Full and productive employment at the centre of national policy

For employers at national level this is important. Governments should not accept single policy advice from the ILO on any issue. Instead, the ILO should be able to proffer a range of different options and national experiences to inform the national debate and give space for the elaboration of an approach appropriate to that country's circumstances.

This is further reinforced in the section relating to tripartism. Here, promoting social dialogue and tripartism is seen as appropriate for adapting the ILO's four strategic objectives to the needs and circumstance of each country and for translating economic development into social progress. This clearly places the responsibility for these matters with the national actors alone, since it says having regard to each country's existing international obligations and the principles of the 1998 Declaration.

Violation of Fundamental Principles and Rights at Work cannot be used as a comparative advantage nor can labour standards be used for protectionist purposes

This section also gives weight to the fundamental principles and rights at work. Importantly, whilst recognizing that the violation of such fundamental principles cannot be used as a legitimate comparative advantage, it goes on to state that labour standards should not be used for protectionist trade purposes. As this Declaration has been accepted by all countries, this wording should be borne in mind, particularly with regard to bilateral trade agreement provisions.

ILO's four strategic objectives interrelated

At national level it will be important to look at policy development under the four strategic objectives as inseparable, interrelated and mutually supportive. This will help employers, particularly where there is a history or propensity of governments to devise policy without due regard to its impact elsewhere. This is particularly true when it comes to the impact of regulations that result in non-wage labour cost impositions on businesses.

2. Method of Implementation

ILO to better understand members' needs

The first **Part A** of this section addresses what the ILO has to do. Simply put, that is - as mentioned above - to better understand and respond to members' needs. The text requires the ILO to review and adapt its internal working methods to ensure its human and financial resources are attuned to the realization of member needs.

However if this focus on members needs is to be realised, it requires member States and their social partners to more clearly identify and articulate what needs they may have and with which (if any) of those they need ILO help. If they do, what actual help is required? This approach does not, however, require every country to have a Decent Work Country Programme, or an equivalent; nor does it tie ILO technical co-operation to the existence of such a Programme at national level.

Better control of ILO assistance required

Each country needs to better control and manage ILO assistance. They need to be better able to assess how useful the assistance was so as to inform the Governing Body on how problems can be overcome and successful lessons learned replicated. This will be done partly through the inclusion on the agenda of each International Labour Conference of a discussion item covering in turn each of the ILO's Strategic Objectives.

ILO to consult with social partners over partnerships

Similarly, working with other partners at the national level – be they UN Agencies or NGOs – the ILO will also be the subject of consultation with the national employers' and workers' organizations. This is important as many employers' organizations complain that the ILO is not considering them as partners but is working through others, often without even considering them or consulting with them regarding these other partnerships. *The language in the Declaration gives the national social partners the right to be consulted on such partnerships by the ILO.*

Suggestions as to how States may respond

Part B looks to the responsibilities of members - i.e. member States - to give effect to the integrated strategy for the implementation of the ILO's strategic objectives as mentioned above. In order to do that, the Declaration makes a number of suggestions. The text says that member States "**may**" consider, among other steps, seven ideas. It is important to see these as merely suggestions and **not** as a set of requirements binding on States! These may include:

- Considering a national or regional strategy for Decent Work
- The establishment of appropriate indicators or statistics to monitor and evaluate progress made. This may be with regard to a Decent Work strategy or simply with regard to the implementation of the ILO's strategic objectives.
- The review of their situation as regards the ratification or implementation of ILO instruments
- Taking steps to better co-ordinate their positions on issues in other international forums
- The promotion of sustainable enterprises.
- Sharing good practices
- Support to members efforts to give effect to the principles and objectives of the Declaration

In all of these areas it is important for employers to be in a position to assist their governments in determining what steps they do take. This is particularly the case with regard to ILO standards. The text does not of itself require any State to ratify any ILO Convention. That remains, as it does now, a separate consideration.

Positive policy positions for employers

It is clear, even from these suggestions, that there are a number of positives for employers, particularly with regard to the promotion of sustainable enterprises. Here emphasis should be placed with governments on policies that by encouraging business growth can best help realize the attainment of the other strategic objectives.

Employers must engage with governments

Without Employer engagement and the identification and raising of other suggested steps, member States may simply look to this list as the only things they can do.

Finally, **Part C** looks at the ILO working with other international and regional organizations with similar mandates. Here, the request is that an integrated approach is promoted. It also reaffirms the provision in the 1944 Declaration of Philadelphia that the ILO can evaluate the employment effects of trade and financial market policy. However, what the ILO cannot do is dictate to other agencies what they should be doing as a result of that analysis.

As with the 1998 Declaration, the ILO is to inform members of the Declaration and, at a time agreed by the Governing Body, the impact of the Declaration may be reviewed.

Follow-up to the Declaration

ILC recurrent discussion

This is primarily a "technical" follow-up, in that it is addressed principally to the ILO itself in terms of improving its own internal coherence, skills set and knowledge management systems, etc. In order to get a better sense of members' needs and to better evaluate the impact of ILO assistance, a scheme

of recurrent discussions at the International Labour Conference will be held on each of the four strategic objectives. These discussions will be prepared by the Office and will also be used as a means to assess the results of ILO action. In this connection, it will be important for employers to seize the opportunity these discussions provide to have their own factual assessments of ILO assistance included as well as any issues requiring remedial action.

An increased role for employers' organizations

a) At the International Level

- The Declaration offers a new platform for employers within the ILO. In recognizing for the first time in a document of such stature, the role of business and the importance of its success as a means of realizing the objectives of the ILO. The Declaration provides the Employers Group with opportunities to reshape the priorities of the ILO and to facilitate the reform of its governance.
- It creates new opportunities for the promotion of the interests of employers in the ILO and other forums at the global level. However, the ability to do so effectively relies heavily on national employers efforts. By proactively engaging with their Governments over the content of the Declaration they help give effect to the positive business messages inherent in the text and help re-orientate the technical assistance needed from and provided by the ILO.

b) At the national level

- By being familiar with the Declaration and its content, national employers' organizations can use it as a tool to enhance their own dialogue with their government over national labour and social policy.
- The Declaration provides support to members in reminding governments of the need to take an integrated approach to national policy setting, and that such policy should be measured by its impact on employment creation as well as on the sustainability and profitability of enterprise. This means that issues such as compliance costs for business of legislative or regulatory measures should be clearly part of national discussions.
- For those organizations faced with governmental disinterest or hostility, the Declaration is a timely reminder of the ILO's recognition of the important role of the social partners as well as their role with regard to consultation on government policy. However, such consultation is not an absolute right – the Declaration cannot be referenced to force governments to consult; nor does it imply that governments must consult on all areas of national policy development. Similarly, it is not implied that consultations must always be tripartite.

Employer efforts to engage directly with government over any policy development are not prevented by this text.

- The recurrent review mechanism provides an opportunity for employer views on ILO action to be captured and debated. This will require employers' organizations to pay close attention to ILO national activity and advice and to capture their impacts – be they negative or positive – for inclusion in the Conference review report.
- It also means that employers' organizations are to be consulted over national ILO partnerships.
- Employers' organizations should maintain close contact with the relevant ILO Office to ensure they are involved in developing and participating in any follow-up or promotion of the Declaration at national or regional level.
- Employers should be proactive in approaching both their government and the ILO to explore how they intend to work with them as elaborated by the Declaration.