



# **Executive Summary**

# The International Labour Organization and the quest for social justice, 1919–2009

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This book tells the story of an unusual institution, the International Labour Organization. Founded in the wake of the First World War, the ILO has been at the forefront of the struggle for social justice for the last 90 years, through good times and bad, doggedly working to embed social goals and priorities in both global and national economies. The book is not an official history but rather the view of its four authors, three of them long-serving former ILO officials, the fourth an academic who has looked at the ILO from the outside: two economists, a lawyer and a historian. It is one of the first outcomes of the ILO's "Century Project", looking forward to its centenary in 2019, which aims to strengthen the ILO's knowledge of its own past in a variety of ways. History not only helps to explain how and why past and present policies originated and evolved; knowledge of the rich heritage of the ILO also equips the Organization better to meet its present responsibilities and future challenges.

The ILO was founded in the belief that social justice is an essential foundation of universal peace. In 1969, on the occasion of its fiftieth anniversary, the ILO's contribution to both peace and justice was acknowledged when it was awarded the Nobel Peace Prize. The Organization has played a role at many key historical junctures – contributing to efforts to rebuild the world economy after the First and Second World Wars, fighting unemployment during the Great Depression, supporting decolonization and helping to advance development goals in newly independent nations, participating in the victory over apartheid, and responding to the widespread demand for a fair globalization, reflected so clearly in today's deep global economic and ethical crisis.

The key features of the Organization, which distinguish it from the other bodies of today's UN system, and permeate its history, are its emphasis on dialogue among the key economic actors as a means of promoting social progress – so that representatives of workers and employers play an equal role with governments in its debates and decisions in what is known as tripartism; and its system of international labour standards covering all the main aspects of work and employment, each subject to voluntary ratification by

states, and supervised by the ILO itself. By the beginning of 2009 there had been some 7,500 ratifications of 188 Conventions.

At the heart of the ILO's mandate lie the principles of social justice, dignity in work, freedom of association and expression, equality and the need to overcome poverty. This book reviews the development of these and other key ideas that have been the driving force behind ILO action in the last 90 years. It discusses how the essential political, social and economic developments of the last century have impinged on the ILO's priorities and how the ILO has supported or led social change. The ILO has sometimes thrived, sometimes suffered setbacks, but always survived and persisted to pursue its goals.

Some of the central areas of the ILO's work in the last 90 years are considered in separate chapters, reviewing the role and the strategies adopted by the Office (the Secretariat) and the employer, worker and government constituents, and the influence of the Organization in different parts of the world. The pattern is different for each of the themes, with both progress and difficulties.

## Human rights and rights at work

Although the term "human rights" was not explicitly used in an official ILO document until a relatively late stage of the Second World War, from the beginning the ILO's concern with social and economic human rights was wide and varied. Its different technical standards in the interwar period were characterized by a utilitarian approach to workers' protection, drawing on the idea that workers' exploitation was an important contributor to the First World War – hence, the ILO's tenet that there can be no universal peace without social justice. The ILO's interwar standards were also characterized by a differentiation between the rights for workers in industrialized countries and colonial territories (the so-called Native Labour Code was adopted to protect the colonial interests of the European powers).

The ILO's international human rights regime really took off with the Declaration of Philadelphia in 1944, which laid out universal principles for the Organization's work and also provided a solid intellectual foundation for human rights standard-setting by other international organizations. In the first decades after the war the ILO's work on human rights largely took the form of standard-setting. Almost all of the ILO fundamental human rights standards were adopted during this period, some providing a defence against totalitarian regimes, others recognizing economic and social rights, removing obstacles to access to work for women and ethnic and other minorities, and providing a basis for decent conditions of work. The issues addressed included freedom of association and the right to collective bargaining, forced labour, discrimination at work and child labour, all subsequently anchored in the 1998 Declaration on Fundamental Principles and Rights at Work as core labour standards.

In some areas the ILO's human rights work was less successful. The story of the ILO and migrant workers, for instance, is one of lost opportunities and divided priorities among the constituents. Similarly, while there have been important moves towards gender mainstreaming by the ILO in recent decades, abandoning its ambivalent attitude towards the "protection" of women in the early period, true gender equality in the workplace and in society remains a distant goal. On the other hand, the ILO has frequently been acknowledged as an important player in the struggle for industrial and political democracy, in defending freedom of association in Colombia and Poland for instance. And the forced labour and child labour Conventions are the most widely ratified ILO Conventions. But there still remains much work to make the standards a reality, and in the last three decades the Organization has put in place a more thorough partnership between legal and practical action. The integration of the human rights dimension into all aspects of the ILO's work has demonstrated that continued attention to a problematic situation, based on its supervisory system, can put the Organization in a position to lend practical assistance once the national situation has evolved.

#### The quality of work

The drive to create the ILO came in large part from the urgent need to improve the appalling working conditions faced by many in the early decades of the Industrial Revolution. Since 1919 there have been important changes in international and national attitudes to work and in policies aimed at improving its quality. Over the last century there have been diverse and sometimes contradictory developments, with growing security for some accompanied by growing insecurity for others, rising wages sometimes accompanied by increased stress and longer working hours, and big differences in attitudes to safety at work between industries and regions. From the 1980s on there has been growing concern with precarious and unstable work. These changes have conditioned the ILO's work and its impact in both industrialized and developing countries.

Three central aspects of the quality of work illustrate different types of ILO work and influence: hours of work; occupational safety and health; and minimum wages. On hours of work, the ILO has contributed substantially to policy debates at different times, and the world has moved towards the 40-hour week first advocated by the ILO in the 1930s. But in recent decades global frameworks appear to have lost influence on working-time policies in the face of widely varying national perspectives. Occupational safety and health, by contrast, is an area in which the Office has played a low-profile but consistently valuable role, offering policy frameworks, codes of conduct and information systems (such as the *Encyclopaedia of Occupational Health and Safety*) which have been widely used by specialists and advocacy networks. On wage policy, the ILO was an important actor for many years, but its effort fell away sharply after the 1970s and as a result its presence in policy debates is now weak; an effort to remedy this situation has started recently.

More generally, the ILO's engagement with working conditions has been concentrated on protection, risk and vulnerability, while its approach has been fragmented into different, unconnected streams. A better integration between the quality and quantity of this contribution is a policy challenge for the future. There is also an appealing agenda to be developed on the positive dimensions of the quality of work – creativity, engagement, social inclusion, participation, fulfilment. These are all issues which have received little attention in the ILO's work so far. They fit well into the more integrated and coherent approach that is promoted under the ILO's Decent Work Agenda, a unified framework that brings together ILO work on employment, social protection, rights at work and social dialogue.

#### Income security and social protection

The ILO's history of action to secure social protection throughout the twentieth century has been one of variable success. Its main contribution came not through generating new ideas or models of social protection, but rather through reinforcing and spreading existing models that were already in place in key countries. By mobilizing expertise, generated by ILO officials as well as relevant international networks, and through consensus-building among political leaders, trade unions and employers, the ILO played an important role in the international diffusion of social protection programmes. In its first decades these largely followed a particular model of social insurance, based on compulsory contributory schemes, which was derived from the German model. Despite a visionary commitment (enshrined in the 1944 Declaration of Philadelphia) to a more universal social security, social insurance remained the dominant frame of reference for ILO policy in the second half of the twentieth century. This was reflected in a major Convention adopted in the early 1950s, but in this field the ILO has been more effective in providing and mobilizing social and labour expertise than in developing and promoting relevant international labour standards.

Looking back at the past 90 years as a whole, the influence of the ILO seems to have been greater when viewed from the industrialized world than from the global south. Its long-standing institutional preference for social insurance (tripartite-based and focusing on workers in formal employment) explains why the ILO was not always able to successfully promote social protection for all, although it has been successful in promoting social protection for some. Today only 20 per cent of the population worldwide enjoys adequate social protection. Paradoxically, the lack of coverage is worst where it is needed most. While in the majority of the industrialized world the rate of coverage is high, in sub-Saharan Africa and South Asia only a small fraction of the active population – in many countries in these regions only 5 to 10 per cent – has access to formal social security.

Recognizing that there needs to be a change in the way the issue has been dealt with, there has been a recent shift in emphasis in ILO work towards extending social security to the population as a whole. The ILO has conceded that there is no single "right" model of social security, with its call for an integrated approach in the Decent Work Agenda. In the context

of a wide range of socio-economic situations and the scale of the differences between countries, the ILO has underlined the huge practical difficulties involved in promoting the implementation of universal social security in all its member States and consequently now supports different models of social protection adapted to the local context: social assistance, universal schemes, social insurance and public or private provisions.

#### **Employment and poverty reduction**

Promoting productive employment has been a key part of the ILO's strategy since its creation. In the interwar period the ILO's work on employment was at the forefront of progressive thinking on economic and social policy, opposing disastrous laissez-faire policies and connecting with the development of what is now known as Keynesian economics. Through its technical expertise on a range of global economic issues (for example, international monetary policies, macroeconomic stimulus and public works programmes) it was able to play a credible role in line with its mandate to reduce unemployment and advance social progress.

In contrast to its key position in the interwar period, the ILO's role declined in the first decades after the Second World War – despite its enhanced mandate in the Declaration of Philadelphia in which the ILO committed to the goal of full employment in all member States. It was the newly created United Nations and the Bretton Woods institutions, rather than the ILO, that played the leading role on policies for full employment in the industrialized countries, and that initiated work on employment problems and policies in the developing world. The bulk of the ILO's advisory and technical assistance did not focus on basic issues such as the relationship between development strategy and employment policy, but on niche areas such as vocational training, labour productivity and manpower planning.

By launching the World Employment Programme (WEP) in 1969 the ILO reclaimed the high ground that it had occupied in the interwar period. The WEP put employment creation and basic needs at the heart of international development policy through an integrated "redistribution with growth" strategy, highlighting both the acceleration of growth and the redistribution of income as key means for achieving equitable development. By spelling out fundamental structural redirections of development policy, the WEP became the leading source of new thinking and expertise on employment issues in developing countries throughout the 1970s, notably arguing the case for a revision of policy attitudes to the informal sector.

However, the ILO was not able to maintain this momentum into the 1980s, partly due to a change in the dominant political and economic ideologies. It lacked the technical capacity and political consensus to formulate successfully more socially-oriented alternatives to conventional neo-liberal thinking and the structural adjustment programmes promoted by the leading economic powers. Its impact on the policy debate was consequently limited.

While the ILO did make some significant contributions to the analysis of employment policy in the 1990s, it was now lagging behind rather than "ahead of the curve" as it had been during the WEP years. Major employment and labour market challenges were to come with the deepening and widening of globalization at the beginning of the twenty-first century. These challenges were taken up under the Decent Work Agenda which was launched in 1999.

#### Decent work and a fair globalization

With such a diverse mandate, building a coherent and integrated approach that brings together social and economic policies on a global level has always been a challenge for the ILO. In the 1920s, although mainly concerned with the European and industrialized world, the ILO worked on a broad front addressing both social and economic issues. The economic crisis of the 1930s as well as the Second World War reinforced the need to embed social progress in the workings of the international economy. But during the early post-war decades political considerations, especially the emergence of a new multilateral system that limited the space for the ILO to address economic issues and the tensions of the Cold War, made it difficult to maintain a broader, global vision. Both the prevailing economic model and the ILO's action were mainly concerned with the national economy.

The 1980s and 1990s saw renewed efforts for the promotion of a broad international social agenda, through proposals for a social clause in the international trading system and the UN global summits of the 1990s. Initially the ILO was not the main actor in these efforts, but it found ways to react. The debate on the social clause became deadlocked, as developing countries feared rich country protectionism, but the 1995 UN Social Summit set the scene for the international affirmation of core labour standards that were ultimately enshrined in the ILO Declaration of Fundamental Principles and Rights at Work in 1998. In an era that faced disastrous social consequences of an increasing globalization and the end of the Cold War, this was the ILO's first major response towards the building of a universal social floor to the global economy, and the first step in defining the Decent Work Agenda. The goal of decent work is now the frame of reference for the ILO's action, and it has been widely endorsed, both as a way of incorporating a social dimension in the process of globalization, and as a way of structuring the ILO's work at the national level. The 2008 ILO Declaration on Social Justice for a Fair Globalization takes this process further and consolidates the Decent Work Agenda in the ILO's structures and programmes.

The notion of decent work has raised the profile of the ILO as a global player, but some tough issues still lie ahead. In a world where the current financial and economic crisis highlights the urgent need for global action for social justice, it is important to learn from the past. Among the lessons to be drawn are that the core ILO philosophy and governance structure is surprisingly resilient; that its ultimate raison d'être lies in its ability to achieve goals that cannot be achieved by nation states acting independently; that the effectiveness of

the ILO depends on the economic and political context – the latest crisis has clearly swung us back towards a renewed belief in the need for regulation and towards a more prominent role for the state, which clearly increases the space for ILO action; that the ILO's instruments (standards, policy research, technical cooperation) work, but that they work best as part of a broader, coherent strategy, rather than on their own. Finding ways to strengthen the reinforcement between different domains and policy instruments is therefore critical.

In the ongoing economic crisis and its aftermath, ILO issues will be central. If new formulations of international social justice, new ethical rules and new policy instruments emerge to guide the world economy and regulate changing global labour markets, the ILO's goals and constituents must be at their heart. And the ILO's tripartite model of governance must face up to these challenges within a broader reform of global governance.

In the ILO's history, the key times of change, for better or worse, have followed war, economic turmoil or political crisis. We may again be entering such a period, and how the ILO responds, not only in its policies, but also in its structures and methods, will surely make a difference to whether the emerging global economy meets the goals of people around the world for rights, jobs and security.

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