



## A BETTER UNDERSTANDING OF GLOBALIZATION

Globalization is widely seen as a powerful engine that has the potential to promote growth and development. For many years however, concerns have also been raised about the effects of globalization on employment, uncertainty in the job market, and inequality. This has led to questions about the social sustainability of globalization, including:

- How do trade opening and offshoring affect employment in developed economies and is there a role for governments in helping to maximize the gains from globalization?
- What are the effects of globalization on the structure of employment and growth in developing economies?
- How did the crisis affect employment and how did governments react?
- Is globalization increasing labour-market related uncertainty or is it only affecting the perception of uncertainty?
- Can social protection help ensure that no one loses from trade opening? If yes, how should it be designed?
- Is globalization responsible for the growing inequality within countries?
- Does globalization curtail the capacity of national governments to pursue economic policies at home and in particular redistribution policies?
- What is the role of education and skills policies in spreading the benefits of globalization and making it more inclusive?

A greater understanding of these issues is crucial to harness the potential positive impacts of globalization while negating possible unwanted side effects.

### FACTS AND FIGURES

**Partners:**  
International Chamber of Commerce (ICC) Research Foundation; World Trade Organization (WTO).

**Beneficiary countries:**  
Global

**Timeframe:**  
Annual projects from: May 2010 – October 2011

**Budget:**  
USD 121,000

### THE RESPONSE

The International Chamber of Commerce (ICC) Research Foundation, the International Labour Organization (ILO), and the World Trade Organization (WTO) established a collaboration bringing together the leading world academic experts on globalization.

Experts included Dani Rodrik of Harvard University, Nina Pavcnik of Dartmouth College, and Ludger Woessmann of the University of Munich.

The result was a publication (*Making globalization socially sustainable – 2011*) that provides insights on the link between globalization and (i) employment; (ii) uncertainty; and, (iii) inequality.

The volume was presented for discussion at national, regional and global forums to government officials, workers' and employers' representatives, trade and labour specialists, academics, representatives from international organizations and other stakeholders.

These participants reviewed the findings of the publication and the policy directions it suggested, with a view to forming proposals for the future design of coherent trade and social policies that can promote quality jobs within the context of open markets.

### RESULTS

The publication provides a comprehensive overview of the social aspects of globalization. It represents a step in the direction of a better understanding of the mechanisms

through which globalization affects workers, and of the measures that governments can take to give globalization a strong social dimension. It will be of value to all those who



*"This book will help to improve the understanding of how governments can give globalization a strong social dimension."*

Pascal Lamy,  
Former WTO  
Director-General

Juan Somavia,  
Former ILO  
Director-General

are interested in the debate on the social sustainability of globalization, including workers and employers, policy-makers, academics, and other trade and labour specialists.

The main conclusion of the publication is that governments have an important role to play in making globalization socially sustainable. In this regard, the central recommended actions are:

- Invest in public goods;
- Strengthen the functioning of markets relevant for transition processes;
- Introduce and strengthen social protection measures that facilitate transition processes and assist those suffering from these transitions;
- Implement education and skills development policies.

The publication was also used as a basis for the joint ILO-WTO statement issued in the run-up to the G20 Conference in the Republic of Korea in November 2010. It has also been widely circulated among a variety of stakeholders, with a view to disseminating its findings.

Since its publication, the volume has already been cited in numerous further publications furthering the debate on globalization such as: *Governing the world economy*, by Willem Molle (2013); and *Emerging orders of production and skill development in a global economy*, by Stefan Zagelmeyer (2012).

The publication *Making Globalization Sustainable* is available at: [www.ilo.org/employment](http://www.ilo.org/employment)



#### Partnerships and Field Support Department (PARDEV)

International Labour Organization  
4, Route des Morillons  
CH-1211 Geneva 22  
Switzerland

Tel. +41 22 799 7309  
Fax +41 22 799 6668  
E-mail: [ppp@ilo.org](mailto:ppp@ilo.org)  
[www.ilo.org/ppp](http://www.ilo.org/ppp)

#### BENEFITS OF PARTNERING

Partnering brought together the relevant international expertise to develop a highly regarded publication.

The publication advances the debate on globalization and supports key stakeholders, including governments, academics, and decision-makers, to formulate concrete policy recommendations that pursue socially sustainable globalization.