



FIRST ITEM ON THE AGENDA

Enhancing the action of the Working Party on the Social Dimension of Globalization: Next steps

1. In June 2001, the Working Party on the Social Dimension of Globalization discussed a paper presented by the Director-General on the means of enhancing its action.¹
2. Among others, the paper proposed the preparation of a major, authoritative report on the social dimension of globalization, including the interaction between the global economy and the world of work. There was broad support for this proposal, as indicated in the report of the Chairperson of the Working Party.²
3. The Director-General's paper suggested several ways in which the report could be prepared – by the ILO alone, in cooperation with the secretariats of other international organizations, or as the product of a World Commission of eminent personalities. With respect to this last option, there were diverse views but widespread interest, and the Chairperson of the Working Party concluded that “there was a consensus that the idea of a commission was worth pursuing”. The Director-General was invited to consult on this matter, and in the light of these consultations, to make specific proposals to enable the November 2001 meeting of the Working Party to take a decision. These proposals are set out below.
4. A World Commission of eminent personalities would raise the visibility of the ILO's work on globalization as well as the significance of the Working Party. It would be able to bring to bear expertise, judgement and experience from different perspectives, and so deepen the knowledge base for the ILO's work. It would be able to examine the social dimension of globalization in a comprehensive way. Most immediately, it would serve to launch a new phase of activities in the Working Party and the ILO at a critical moment in the public debate on globalization. All of this together would reinforce the capacity of the ILO and strengthen its presence and voice in global debates on social and economic policy.

¹ *Means of enhancing the action of the Working Party on the Social Dimension of Globalization*, GB.281/WP/SDG/1.

² *Oral report by the Chairperson of the Working Party*, GB.281/9(Corr.).

5. For it to play this role, first of all it would be necessary for the results of the Commission's work to be appropriately brought before the ILO's governing organs for review and follow-up. The Director-General therefore proposes the following:
 - The report of the Commission should be completed by early 2003, and the Director-General would then submit it to the March 2003 session of the Working Party for review.
 - The Director-General's own Report to the 2003 session of the International Labour Conference would draw on both the report of the Commission and the discussion in the March 2003 Working Party. Thus, any consequences for the programmes of the ILO would have to be drawn on the basis of the Director-General's Report.
6. Second, the Director-General would appoint as members of the Commission eminent individuals with outstanding personal achievements and vision, participating in their individual capacity. The Director-General would choose the members to encompass in a balanced manner the principal views and policy perspectives in globalization debates, thereby offering prospects for the development of consensual solutions with broad-based support. The differing experiences of different regions of the world, and of both developing and industrialized countries, would be reflected in the membership. A balance would also be sought between economic and social perspectives, between business and labour, and between global and local concerns. To take these considerations into account, provision would need to be made for a Commission of up to 18 members. The Director-General would undertake informal consultations over the coming months, before appointing the members of the Commission in early 2002.
7. Third, in order to establish a further linkage with the ILO, it is proposed that the Officers of the Governing Body, and the Director-General, should be *ex officio* members of the Commission.
8. Fourth, the views and knowledge of the interested organizations of the multilateral system would be helpful in the preparation of the report. In a recent meeting of the Administrative Committee on Coordination (ACC), the Director-General informed the other organizations of the multilateral system about developments in the Working Party – where the concerned organizations participate – and the possible creation of a Commission. As was already indicated in June 2001, the secretariats of other interested multilateral organizations concerned with the issue of globalization would be invited to contribute to the preparation of the report by sharing their knowledge with the Office. The Director-General has already contacted several organizations in this respect, and has received favourable replies. The report itself, once completed, would be transmitted to the Secretary-General and to the secretariats of other organizations of the multilateral system for their use as appropriate.
9. Fifth, the meeting of the Working Party in June 2001 reviewed the issues which the report would address. In his paper, the Director-General identified issues under five broad headings: first, “more systematic data and information about globalization and its main characteristics”; second, “accurately understand the wide ranges of perceptions and opinions about globalization”; third, “a better analysis of how different aspects of globalization affect economic and social progress” and “the diverse impacts ... on workers and enterprises”; fourth, the “mounting need for policy consistency” in the multilateral system; and fifth, “the integrated thinking that is essential for generating the set of comprehensive and coherent policies which are needed to solve current global problems”. By covering these issues, the report would be able to address the goal of decent work in the global economy.

- 10.** In the course of the discussion, along with general support for these proposals, a number of additional issues and policy concerns were also highlighted. It was reiterated that the report should take into account the principle that labour standards should not be used for protectionist purposes and that the comparative advantage of developing countries should in no way be called into question. Several specific issues were highlighted. It was suggested that the report should: (a) take full account of the developmental and equity aspects of globalization; (b) consider the impact of international trade, foreign direct investment and other aspects of globalization on employment and poverty reduction; (c) examine the structure and functioning of the international economic system in the light of its impact on poverty reduction, labour and employment, including the impact of the volatility of the financial system on social stability and developmental goals; (d) examine questions of domestic infrastructure, transfer of technology, Official Development Aid (ODA), debt and human resources, as factors which affect the capacity of countries and enterprises to take advantage of the opportunities of globalization; (e) take into account the Declaration on Fundamental Principles and Rights at Work, the UN Secretary-General's Global Compact and the contribution of social dialogue; and (f) examine how to strengthen the capacity of developing countries to fully integrate into the global economy, including better understanding of the consequences of integration or non-integration.
- 11.** It is suggested that the points raised in the two preceding paragraphs, along with further issues that might be raised in discussion in the current session or in written submissions, would constitute the general parameters for the preparation of the report, and that they would be submitted to the Commission. In this way, all issues that constituents consider important would come before the Commission.
- 12.** Sixth, the Commission would be established for a period of one year. As stated above, its report would be available in early 2003. The Office would provide the secretariat of the Commission. The Commission would draw on the technical work of the secretariat, but would take full and independent responsibility for its report, and decide on its own methods of work.
- 13.** Seventh, the Director-General proposes that the name of the Commission be the "World Commission on the Social Dimension of Globalization".
- 14.** Eighth, the estimated additional cost of the Commission is US\$768,000, including two meetings, expert consultancies, regional consultations, staff travel, and translation and printing. This does not include ILO staff costs, which it is expected would be covered by existing ILO programmes. The Director-General proposes to absorb these costs through savings on Part I of the budget in the first instance, and if necessary to seek complementary extra-budgetary funding.
- 15.** Finally, it is important to make clear that the Commission is of a limited duration and the Working Party will continue to develop its work programme in line with its evolving priorities. As discussed in June 2001, the March 2002 session will review the impact of investment on the ILO's strategic objectives.

Geneva, 6 November 2001.