

DECENT WORK AS A GOAL FOR THE GLOBAL ECONOMY

Gerry Rodgers¹

Perceptions of globalization

Globalization is a source of both fears and enthusiasms. The increasing integration of the global economy is seen as opportunity by many. Through new products, new technologies, new openings for wealth creation, and new ways of sharing knowledge and linking communities, there are many ways in which globalization widens choices and opens possibilities.

But despite the obvious benefits, opinion on globalization is sharply divided. The backlash against the present model of globalization, seen in street protests and responses by workers and other organized social groups, also has a growing political impact. The benefits of globalization reach too few people. There are too many losers, and too few instruments through which the winners compensate the losers. Vast numbers are simply excluded from a process of development to which access depends on skills, knowledge, capital, institutions and connections, all of which are unequally distributed. There are fears of a race to the bottom. Ultimately, this gulf between the possible and the realized poses a threat to the premise of open economies and open societies on which the present model of globalization is based.

People judge globalization on the basis of its perceived impact on the things which are important for them. More often than not, that means work and income. Work is where economic and social objectives come together in people's lives. Work is about production and income. But it is also about social integration and personal identity and dignity. Recent survey data (Envirionics, 2002) suggests people are more likely to have negative attitudes to globalization when asked about their work and their job, than when asked about the society and the economy in general. Media reports raise awareness of the adverse effects of global competition on industries and employment. Ten people lose their jobs and a hundred more feel insecure. A sense of less control, less voice, and less certainty develops. Dealing with these concerns is key for a wider participation in the benefits of globalization.

Many people are reflecting on these issues, and searching for alternatives. Some reject globalization altogether, and wish to return towards greater local autonomy. Others seek to reform the rules of the global economy so as to limit volatility and insecurity, and to route investment and social resources towards those who are excluded. Still others believe that the actors of the global economy must accept greater responsibility for the results of their actions.

The argument in the following pages is that a more satisfactory framework for globalization needs to be built around opportunities for work and income, work which can meet reasonable

¹ International Labour Organization, Geneva. Views expressed in this article are not necessarily shared by the ILO.

aspirations, in which rights are respected and security and participation assured. In the ILO that is called decent work. It is argued here that decent work offers a framework which can capture both the social and the economic goals of development.

Social policy in the global economy

Growing international economic integration takes many forms. Part of it can be seen in the expansion of trade, and the explosion of foreign direct investment. Some of it lies in the growth of global financial markets, unconstrained by national boundaries. An important dimension lies in the growth of cross-border production systems, where - beyond trade and investment - the process of production involves networks of producers and traders, which are increasingly managed at the global level. The mobility of labour is subject to many more restrictions than that of capital, but international migration is an increasingly prominent dimension of globalization as well.

There are many implications of this shift of production decisions and organization towards the global sphere. New economic mechanisms develop, as can be seen, for instance, in the increase in financial volatility, or in the growth in international subcontracting. The scope of independent national action is reduced, because the attainment of many national objectives depends on successful participation in the process of globalization, and that limits policy options; coordination is required. There is a shift in the balance of capability between different actors, because some can move readily to the global stage, while others are confined to the national level. In particular, there is a shift in capacity for action away from public, and towards private actors.

At the same time, one can observe a concentration of the benefits. The principal beneficiaries of the global economy are the industrialized countries, together with a rather small number of - mainly middle income - developing countries which have become major producers of manufactures or key primary products, and recipients of most of the flows of FDI towards the South. Many countries are effectively excluded from the benefits of globalization, because they lack the capital, the infrastructure and the capabilities required to enter increasingly competitive global markets. And the rules of the global trading system offer few entry routes. Others suffer from a precarious or highly volatile insertion in global capital markets, which leads to recurrent crises. Within countries too, the benefits of globalization often fail to spread.

A growing perception that the outcome of the global economic system is unfair recalls the history of social policy in the course of the twentieth century. As Polanyi so clearly argued in the 1940s (Polanyi, 1944), an integrated approach to social and economic goals was essential for the legitimacy and ultimately the survival of the market economy. The policy frameworks which were built in the industrialized countries combined regulation, both economic and social, with redistribution. Social legislation embedded basic human and worker rights in economic activities, alongside social security systems designed to protect incomes in the face of shocks and contingencies, and to provide income support for at least some of the poor. The tendency for market mechanisms to lead to a concentration of incomes and opportunities was met by a range of redistributive policies, from universal education to progressive income taxation. The critical importance of employment was widely recognized and reflected in macro-economic and other policies.

At the global level, such policy mechanisms are weak or absent. Timid first steps are being taken to replicate certain of these mechanisms at the regional level, in Europe and to some extent in Mercosur, but progress is limited. And in the global economy, while some economic and financial regulation exists, mainly with respect to trade, this is much less true of the redistributive and protective mechanisms which have been found necessary at the national level. There is essentially no global redistribution, nor policy coordination to promote employment. And social dialogue of the type which has underpinned social policy in many countries is also effectively absent at the global level.

One notable exception concerns international labour standards. These are not strictly global instruments, since they depend on national ratification, but they provide an agreed framework for social regulation. That is no doubt why with globalization there has arisen a great deal of interest in the role that labour standards (and other social and environmental standards) should play in the international economy. This is not a new debate - it was one of the reasons for the creation of the ILO more than 80 years ago. But it has come to the fore again in recent years, in part because of efforts in some quarters to link labour standards to trade. The issue is controversial. Many developing countries strongly oppose any hint of linkage between trade and labour standards, which they consider a disguised form of protectionism.

But this is not just a question of a level playing field for international trade. Today it is part of a strengthening global movement concerned with the promotion and protection of a wide range of human rights under globalization, among which workers' rights form an important subset. The ILO's Declaration on Fundamental Principles and Rights at Work, which aims to make those principles and rights the foundation for the global economy, is a major instrument in this process. And beyond basic rights, there is a broader concern that globalization must also serve other key social goals such as employment, security and representation.

This calls for a policy framework in which labour and other social goals are an integral part of a strategy for both economic and social development. In this process, globalization is a force for growth and employment creation, but its stability depends on how well social goals are addressed, so these different elements are interconnected. They need to be integrated within a framework in which they are mutually reinforcing. Polanyi's argument in the 1940s is still valid today, translated to the new global stage.

The content of decent work

The notion of decent work is an attempt to capture, in everyday language, this integration of social and economic goals. It brings together employment, rights, security and representation in a package which makes sense as a whole. Promoting employment without considering the quality and content of those jobs is no recipe for progress. Promoting rights at work without worrying about whether or not there is work for those who want it is equally fruitless. Representation and social dialogue are needed to ensure that peoples' voices are expressed and heard.

The goal of decent work is best expressed through the eyes of people. It is about your job and future prospects; about your working conditions; about balancing work and family life, putting your kids through school or getting them out of child labour. It is about gender equality, equal recognition, and enabling women to make choices and take control of their lives. It is about having a voice in your workplace and your community. For many, it is the primary route out of

poverty. For many more, it is about realizing personal aspirations in their daily existence and about solidarity with others. And everywhere, and for everybody, decent work is about securing human dignity. The expression of these goals will be different if you are an agricultural labourer in India or a high tech worker in Silicon Valley, but there is a common underlying idea, that people have aspirations which cut across and bring together these different domains. In a recent World Bank publication, *Voices of the Poor* (Narayan et al, 2000), it is commented that “the poor view well-being holistically”. Actually, that is not only true for the poor. People at all levels of living have broad and complex goals which they see as in an integrated way, in which work and income and security are almost always central elements. In his first report to the ILO Conference after taking office as Director General of ILO in 1999, Juan Somavia summed up this set of goals in the term “decent work”.

In English, the word decent has quite a specific meaning. If you say, I have a decent job, a decent income, it is a positive expression - the job or income is good, it meets your expectations and those of your community, but it is not exaggerated - it falls within the reasonable aspirations of reasonable people. It's a word which does not always translate well - in other languages the concept is not exactly the same, and “decent” may be interpreted in a particular narrow sense as the opposite of “indecent”, and given a moral connotation. But this is not the main usage in English - instead the word is used to capture the combination of sufficiency and desirability.

And the word “work” is used because it is wider than employment or a job. Work includes not only wage employment, but also self-employment and homeworking. It includes the wide range of activities in the informal economy. It also extends to domestic activities like cooking and cleaning which most people regard as work. In other words, decent work is in no way confined to, say, wage employment in large firms. It reflects a broader notion of participation in the economy and the community.

There are four main dimensions of decent work:

- work and employment itself;
- rights at work;
- security;
- and representation and dialogue.

I will first look at these individually, before looking at them together.

The first dimension concerns work itself. There are some 160 million people in the world today who are unemployed, according to ILO estimates. Another 500 million people are unable to earn enough to get their families over the most minimal poverty line of US\$1 per person per day. Many more work long hours at low productivity, are in casual or precarious employment, or are excluded from the workforce without being counted as unemployed. The employment goal is best expressed as adequate opportunities for productive and meaningful work, in decent conditions - that means we have to take into account working time and work intensity, the need for a living income, the possibilities for personal development, the opportunities to use one's capabilities. It includes formal and informal work, in the home, in the factory, in the street. It includes women and men - much work by women, especially in the home, is undervalued or invisible. Decent work may also mean not working too much or the possibility of retirement. Within the concept of decent work there is a broader notion of the place of work in life - so freedom from excessive work is an objective as well.

The second dimension concerns basic rights at work. These have been expressed in the ILO's core labour standards: freedom of association, freedom from discrimination, freedom from forced labour, freedom from child labour. These rights are widely flouted. For instance, ongoing research at the International Institute for Labour Studies suggests that close to two countries out of every five have serious or severe problems of freedom of association. Of course, which rights are considered to be basic has varied historically - these rights would not have received universal acceptance 100 years ago, when few women had the vote and colonial systems were built on principles of unequal treatment. But the unanimous acceptance of these rights in the 1995 Social Summit gives them global scope today. They are basic enabling rights, which means that they provide a base on which other rights and capabilities can be built. Many other vital rights are very desirable goals, but are dependent on the availability of resources within particular systems of production and distribution.

The third dimension concerns security. Much work is insecure, either because it is irregular or temporary, because income varies, because it is physically risky or generates vulnerability to disease, or in other ways. Security is a powerful need, and it can be achieved in a variety of ways - through formal social insurance systems which provide for contingencies such as illness, unemployment or old age; through informal mechanisms of solidarity and sharing; through investment in workplace safety; and through labour market institutions and policies which protect workers against fluctuations in employment - legislation or collective agreements to discourage layoffs, for instance, or training systems which offer routes back into the labour market. The effectiveness of these systems varies widely, and ILO estimates suggest that only a fraction of the world's workers have truly adequate social protection. Meanwhile, over 3,000 people die every day as a consequence of work-related accidents or disease.

And the fourth dimension concerns representation and dialogue. The ways in which people's voices can be heard are a crucial aspect of decent work. For workers, the classic route to representation and dialogue is through trade union organization, but if decent work is to include work beyond wage labour, it will often encompass other forms of organization, at the community level, for instance, or of the self-employed. The organization of employers is equally important. The institutional framework within which these voices are heard - the framework for collective bargaining or for local level decision-making, for instance - determines to a large extent whether common goals can be identified and agreements reached. It is through social dialogue that widespread support for the other three dimensions of decent work may be built. But many groups of workers are either excluded from or under-represented in meaningful social dialogue, as a recent ILO report on this issue, *Your voice at work*, reports (ILO, 2000c).

Each of these four dimensions of decent work has its own characteristics, but they are closely interconnected. They contribute jointly to societal goals such as social integration, poverty eradication and personal fulfilment. Take social integration. It is clear that work contributes to integration, but only if it is performed under the right conditions - without discrimination, not forced, in an environment in which collective goals reflect the views of those concerned.

A critical aspect of this approach lies in the integration of rights into a framework which also includes other dimensions of economic and social policy. In recent years there has been an increased emphasis on rights as intrinsic to the development agenda. The 2000 *Human Development Report* stresses the interaction between human rights and human development. "Human development and human rights are close enough in motivation and concern to be compatible and congruous, and they are different enough in strategy and design to supplement each other fruit-

fully. A more integrated approach can thus bring significant rewards, and facilitate in practical ways the shared attempts to advance the dignity, well-being and freedom of individuals in general” (p.19). There is also a growing perception that the State is only one of the actors - development is something which people do, rather than something which is done for them, and rights have to be claimed and defended - leading to much more stress on organization, participation and representation. The World Bank’s 2000 *World Development Report* also goes some way down this road by identifying empowerment, along with opportunity and security, as a route to poverty reduction.

Perhaps the person who has contributed most to these ideas in recent years is Amartya Sen. In his book, *Development as Freedom*, he argues for a conception of development which essentially consists of the expanding of freedoms, which embrace political, social and economic goals. Development also involves the removal of unfreedoms such as poverty, lack of access to public infrastructure or the denial of civil rights. It consists essentially of the expansion of the capabilities of people to achieve goals that they value.

These freedoms, in Sen’s vision, have a threefold relationship with development: first, as goals in their own right (constitutive); secondly, because they contribute to the achievement of other valued goals such as security or social integration (instrumental); and thirdly, in the definition and building of consensus around social needs, values and priorities (constructive).

This interaction between freedoms and development is an important aspect of the rationale for decent work as a development goal. Decent work brings together different types of freedoms, using Sen’s terminology - workers’ rights, income security, employment opportunities. These are goals in their own right, but taken together they are more than the sum of the parts. In addition, progress in any one dimension of decent work may reinforce progress in other dimensions.

Let me take a couple of examples. The first concerns the impact of security on levels of employment. This is a complex relationship. It is sometimes said that too much security is bad for employment - that people with greater security of employment and income put less effort into their work and so are less productive, so that - indirectly - greater security reduces output and employment. But in reality the empirical evidence is mixed. High levels of security, for instance in some public sector enterprises, may make adjustment or innovation difficult, and so adversely affect economic performance. But countries such as Sweden which have maintained high levels of employment security, or countries such as the Netherlands which have maintained high levels of income security, have performed well in terms of employment too. There is no sign that legislation to increase employment security in Chile or in the Republic of Korea in the 1990s had adverse effects on employment. On the contrary, when the Asian financial crisis struck it could be seen that the mechanisms for security were too weak, so that the crisis had unnecessarily large effects on unemployment, incomes and poverty. In another aspect of security, safety at work, the evidence is still clearer. Greater levels of safety contribute enormously to productivity. Most enterprises invest too little in such forms of security, partly because they only capture a part of the benefits, which are shared with workers and with society at large.

A second example concerns the contribution of freedom of association and collective bargaining to economic performance, development and - indirectly - employment. It is often argued that this relationship is negative, because collective organization increases inequality by creating insiders and outsiders, because it impedes technological change, or because it drives wages above market

clearing level. This view is frequent among neo-classical economists, and has influenced the policies of the World Bank, but it is also found in more structuralist writings, e.g. Singh and Zammit (2000).

However, a recent ILO paper reviewed the evidence on this issue systematically (ILO, 2000b), covering both macro-economic and enterprise level relationships. It concluded that “freedom of association and ... collective bargaining .. are not a barrier to economic performance”. While there are many factors involved, dialogue and trust help to promote adherence to common goals by employers and workers, or ensure that the views of different actors are understood, or provide a stable social environment which is conducive to investment and innovation. Of course this is not always true, and adversarial relations are common. But the essential point is that under the right institutional arrangements in labour and product markets, there is a great deal of potential for synergy between the social and economic goals underlying decent work.

That is in fact a general consideration - the different dimensions of decent work are mutually reinforcing, but the institutional conditions have to be right. That is something decent work shares with other development goals. Institution-building is an essential part of a decent work strategy, as it is an essential part of development.

Decent work in different development situations

How can this concept be applied in the extremely varied levels and processes of development? Is there a uniform level of decent work, to which everyone can aspire, or does it vary in time and space? And if so, how do we decide what is decent?

There are two important points here. The first is that decent work has a floor, but no ceiling. The second is that above the floor, what is seen as decent embodies universal rights and principles, but reflects the values and possibilities of each society. In that sense it provides a moving target, a goal which evolves as the possibilities of societies also evolve, so the threshold advances with economic and social progress.

First, consider the floor. In a recent article in the Financial Times, Wolf (2000), there was an attack on the idea that core labour standards can benefit agricultural labourers in low income countries. The author argued that people in poverty just need income and employment; basic rights were not relevant. That attack was misplaced. Poverty is not just a question of income, but also of rights and capabilities. For example, in parts of India agricultural labourers are vulnerable to bonded labour; their rights to organization are widely contested; and women and girls are subject to widespread discrimination. Similar examples can be found in other countries. Where these denials can be overcome, living conditions are systematically improved. The social floor is as relevant in these situations as it is in the Fourth World of large cities of Europe and North America, where the problem may be the trafficking of migrants or the exclusion of the homeless.

What else belongs in the floor? An important value is universality - that decent work should be for everyone. All those who work have rights at work. This includes the goal of gender equality (ILO, 2000a). Some would argue against universality on the grounds of infeasibility - that rights are meaningless without the means or the agents to enforce them, and for many workers in informal or domestic environments that unfortunately describes their situation. But Sen (2000) makes a powerful case in favour of universality, regardless of whether the institutions for en-

forcement are in place - only if it is always an explicit aim can it ultimately be achieved.

Others argue for the inclusion of a wider range of rights in a social floor - for instance rights such as the right to work, and the right to just and favourable remuneration, both of which are included in the Universal Declaration of Human Rights. The right to a safe workplace is something which most workers would consider a basic right. These are issues which can be debated. They go beyond enabling rights to goals which require economic resources. Clearly what constitutes just and favourable remuneration will depend on the possibilities of each society. A case can be made that a much wider social floor should be specified, and that all should have the responsibility to help ensure that it is respected; it is an idea with strong appeal. But there is no general international agreement on the level of such a floor, and such ideas do not yet have the strong global backing that exists for the enabling rights and principles embodied in the ILO's core standards.

Second, above the floor, the notion of decent work provides a framework for continuous progress on the basis of common principles. It is not a straitjacket - on the contrary, the goals depend on each society's values, priorities and possibilities, which may change over time. Not long ago, there was widespread agreement that night work for women should be prohibited - today, there is much less support for this idea, in Europe at least, as concepts of gender equality have changed. Many of the elements of decent work, such as levels of economic security or the quality of employment, are development goals for which targets can rise with economic possibilities. In this process the ILO's standards system provides powerful support to help lock in advances on all dimensions of decent work, offering benchmarks which can guide progress, and against which progress can be measured.

Let me give some examples. What might be the goals in terms of security at work in different circumstances? For agricultural labourers in a backward region of India, such as Bihar, living without reserves on casual daily employment, the priority may be protection against flood or drought, which dramatically affects the stability of income. Work is also often carried on in extremely unhealthy or unhygienic conditions, and accident rates are high. These workers are largely unorganized, and so cannot easily defend their interests. These conditions define priorities for policy, in terms of ensuring basic security and eliminating major risks.

In a middle income country, say Chile, the goals may be more specific and targeted. Export sectors - fishing, forestry, mining - face economic pressures in competitive international markets which may make safety a secondary consideration in the enterprises concerned. It is necessary to develop codes of conduct and methods of production which counter this tendency. Small firms do not have the resources or are not subject to inspections, and so create less secure jobs than large firms. A substantial minority of the population achieves adequate levels of security, but exclusion and deprivation is all the greater among those who fall outside the mainstream policy net.

At high income levels, attention may shift to stress and similar disorders. (These are present at lower income levels, prominently so in Chile, but receive less priority). Policies may aim at reducing identifiable physical risks to insignificance, and the "principle of precaution" may come into play, in which protection is extended to areas where there may be risks but evidence on their magnitude is lacking. Most high income societies also suffer from gaps in social security coverage or have precarious segments in their labour markets which generate intense exclusions among disadvantaged groups - illegal migrants or the illiterate, for instance - and these too

may be a major policy concern.

The content of a decent work agenda, then, will therefore vary across economic and developmental situations. These examples concern security, but examples can also be given for employment, rights or social dialogue. In each society, targets and benchmarks will be different, but the overall framework and its underlying principles will be similar. Taken together, they have the potential to offer a coherent development agenda.

Decent work and poverty

The link between achieving decent work and eliminating poverty is worth exploring further. The poverty threshold, like a decent work target, depends on the social and economic resources of societies, and so has a relative component. As a result the official poverty line in the United States is much higher than in India. The word “decent”, too, involves some notion of the normal standards of society. A decent work deficit therefore has something common with concepts of deprivation or exclusion, both of which are concerned with social and economic situations which do not meet social standards. The work on relative and multiple deprivation by, for instance, Peter Townsend in London, looks at why some people fail to achieve the standards - in work, in levels of living, in access to public services, in education, etc - which correspond to the normal conditions of participation in the society concerned. Many of those deprivations can be expressed as decent work deficits.

The issue was summed up in an ILO review of action against poverty in 1995: “The ILO concern with social justice leads naturally to a stress on rights and standards: rights, as the basis for participation by labour in society; standards, as a means to express those rights. With respect to poverty, the prevailing philosophy can be expressed as a right to inclusion, in the sense of participation, protection, access to decent jobs and decent incomes. But the fulfilment of this right depends on economic preconditions - and to meet these preconditions it is necessary to build up the capacities of labour and of the corresponding systems of production. Thus, the achievement of rights involves the development of both economic and social capability.”

This provides a rich seam of thinking which has yet to be adequately explored. Most action against poverty is concerned with social minima, and the decent work agenda goes beyond this to set goals for society as a whole. The decent work agenda is therefore broader. But there is a strong link with poverty insofar as there is failure to achieve the basic goals of decent work.

One common reaction to the notion that decent work contributes to poverty reduction takes the form, “in the process of development the immediate need is work and income, let us worry about how decent it is later”. This was essentially the position of the Financial Times article quoted above.

There are two points here. The first is whether the relative priority of different dimensions of decent work varies with the level of income or development. For instance, might employment be more important than security at low income levels, and security more important than employment at high income levels? The second is whether progress in one aspect of decent work may be at the cost of progress in another.

With respect to the first point, no doubt if you are starving, any work is better than none. But in

reality, people have aspirations at all levels of living that are wider than that. People on the edge of starvation still demand dignity and respect. As Bruton and Fairris (1999) point out, safety, rights and other aspects of decent work are valued by workers as much at low incomes as at higher ones. No doubt the weight given to different dimensions of work will change as overall living standards rise. But it is a misconception to think that the qualitative aspects of decent work only kick in once a certain standard of living has been reached.

On the second aspect, in a purely theoretical sense, unless the different dimensions of decent work are perfect complements, there must at some level be a tradeoff between them. Improving conditions of work, for instance, has a cost. If that cost is not absorbed by higher productivity, there will be a negative effect on employment in a normal labour market. This is another strand of the argument that work should come first, and decent work later.

However, as we have just seen, there is evidence that progress in rights, in security, in conditions of work and in social dialogue will often have a positive impact on employment and productivity if the institutional conditions are right. Ultimately this is an empirical question, and it is one on which information is quite patchy - it is an important area for future research, because it conditions the setting of particular decent work targets, and determines policy priorities if they are to be achieved.

There is another powerful argument which is relevant here: path dependency. Unless the institutions and rules which generate decent work are built into low income environments, it becomes difficult to introduce them when incomes rise. That is the way child labour at the age of 10 or 12 becomes normal, undermining any hope for those children to develop capabilities for a better life. That is the way gender discrimination, or bonded labour gets embedded in production systems. It is only too easy for these inequalities and deprivations to become part of everyday perceptions and patterns of behaviour. And the result is to multiply the difficulties of achieving social objectives which are built around universality and equality.

Another common argument is that a focus on decent work is biased towards relatively well protected and higher income groups in the formal sector. This is a widespread criticism of formal labour standards, and of the action of trade unions and employer organizations. Singh and Zammit (2000), for instance, argue that “the texts of these conventions [ILO Conventions 87 and 98 on freedom of association and collective bargaining] reflect the needs and institutions of advanced countries at a particular moment in time”..... “human rights defined and interpreted in terms of these two core conventions are destined only for a small part of the working population, benefitting mainly those who are already relatively privileged”.

But this is a misreading. Freedom of association is as important in the informal economy as it is in the formal, although it may take different forms. It is a basic freedom, in Sen’s sense, one which also permits other freedoms to be attained. The real issue is how to extend these rights to all segments of the labour market, not to limit their application.

This can be seen in recent attempts by the ILO to engage with the PRSP (Poverty Reduction Strategy Papers) process in several countries. This process, managed by the Bretton Woods Institutions, is designed in such a way that national actors should define the strategy for poverty reduction. Yet without the participation of representatives of workers and employers in this process - and in the absence of ILO participation, that is typically the case - there is a tendency to ignore central issues such as employment generation and income security. It is by embedding the

basic right to representation in the design of poverty reduction strategies that they can respond to the demands of people - for decent work.

It remains true that the majority of the poor are to be found in the informal economy, and the strategy to promote decent work in the informal environment faces many difficulties. In the absence of formal organization, and given the relative ineffectiveness of state intervention, the extension to the informal economy of the goal of decent work cannot depend on the mechanisms of State regulation which are applied elsewhere. Ways are needed to increase capabilities and strengthen voice, to generate and transfer resources and change incentives. This may involve new forms of action by existing actors, but also requires support to new actors and new institutions. Many trade unions have recognized the challenge and are trying to extend their capabilities to informal workers, while organizations which are active among informal sector workers, such as SEWA in India, have demonstrated that a great deal can be achieved.

This argument can also be applied to employment conditions, security and other dimensions of decent work. Informal work often reflects the deliberate avoidance of social standards, especially unregistered employment in formal enterprises. But even in the informal economy, better protected employment may well pay for itself through higher productivity. A careful and progressive choice of standards can also help reduce the incentives for avoidance of regulation. New instruments to provide security in informal environments, such as micro-insurance, may also be more effective than traditional policies. In other words, the goal of decent work can guide policy choices in the informal economy too.

Decent work as a strategy to reduce poverty goes beyond the informal economy. It recognizes the complexity of poverty, its multiple dimensions, and offers an integrated approach which can answer diverse needs. The returns to further policy development in this field are high.

Decent work as an objective of the international community at the global level

To sum up, the point about decent work is that it is a broad approach to work, employment and social progress. Tackling these issues requires a balanced and integrated approach to social and economic goals, involving the promotion of rights, employment, security and social dialogue, within a framework which supports investment and economic growth. That is not only a national policy agenda. Many of the factors which need to be tackled lie in the international and global economy - trade, capital flows, cross-border production systems. So promoting decent work also means changing the way the global economy works, so that its benefits reach more and more people. Decent work is not only a development objective at the national level, but also a guiding principle for the global economy.

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