From ‘decent work’ to ‘decent lives’? Income Security in the Making of Global Social Governance

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Abstract

In the follow-up of the Copenhagen Summit on Social Development, a broad range of international organisations have redefined norms and established new programmes to integrate social and economical policies and to promote social development. In the process, the ILO Decent Work programme has become one of the main conceptual and operational frameworks addressing social vulnerability and income insecurity. However, considering the steady deterioration of the global employment situation over the past decade and the chronic decent work deficit, it is time to ask whether income security shouldn’t feature more prominently on the global social policy agenda, and whether this is possible as long as it is part of Decent Work.

To help formulating the appropriate questions, this paper is aimed at 1) mapping income security in the context of the emerging global social governance framework, 2) tracing the interference of the norms, institutional preferences and interests that shaped the ILO Decent Work programme with alternative approaches to income security, such as Basic Income and 3) sketching further research on strategies capable of promoting global income security and the prospect for “decent lives.”

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Introduction

Where to start? In his closing address of the 9\textsuperscript{th} Congress of the Basic Income European Network, Philippe van Parjis explained that much “to [his] own amazement” he had come to believe that Basic Income could become “a worldwide project.”\textsuperscript{1} Reading the United Nations \textit{Report on the World Social Situation 2003} which examined the sources and challenges of social vulnerability, I found it hard not to think that, indeed, Basic Income \textit{should} play a key role in the framing of the global social policy agenda. Not just to satisfy the “leisure preferences” of some – usually misquoted – Malibu surfer,\textsuperscript{2} but to empower the estimated 1.2 billion people living in abject poverty, and more generally, to give the “disenfranchised, the powerless and the voiceless” a means to move from the peripheries of social development (or at least live more decent lives).\textsuperscript{3}

For one, there were the report’s findings: targeting “older persons, youth, the disabled, indigenous peoples, migrants and persons in situations of conflict”, the UN Division for Social Development found out that income insecurity resulting from the “Lack of access to gainful employment is the most common concern of all social groups and is one of most important sources of [social] vulnerability.”\textsuperscript{4} Considering that the report recognises that “the global demand [for labour] in the formal economy remains weak – perpetuating high levels of unemployment, underemployment and low-productivity employment”, the finding would be concerning in itself.\textsuperscript{5} However, what concerned me even more were the report’s conclusions: It acknowledges that even “countries that have experienced strong economic growth” have not always succeeded “in generating productive employment.” But it refuses to suggest that income insecurity and social vulnerability could be tackled beyond their traditional linkage to productive employment.\textsuperscript{6}

\begin{itemize}
  \item \textsuperscript{1} van Parijs (2002)
  \item \textsuperscript{2} Scharpf (2000: 155)
  \item \textsuperscript{3} United Nations (2003b: 8)
  \item \textsuperscript{4} United Nations (2003b: 8, 14)
  \item \textsuperscript{5} United Nations (2003b: 37)
  \item \textsuperscript{6} United Nations (2003b: 51); the findings in ILO (2004c: 1) are even more dramatic. Not only was there no improvement in global employment performance in 2003; despite a worldwide growth in GDP of 3.2\%, the ILO estimate for 2003 of 185,9 million individuals “without work or looking for work” is at “the highest level ever recorded.”
\end{itemize}
Instead, it argues that “employment lies at the core of individuals’ perception and experience of income security versus economic vulnerability” and that the primary policy challenge for industrialised and developing countries alike is to provide “access to decent, safe and productive work to the very large number of the world’s unemployed, underemployed and working poor.” The report goes even further, claiming that work – more precisely: “decent, safe and productive work” – is not just the source of income security, but also the basis of “social participation” and essential to “human dignity.” Which is very much suggesting that we should think of “economic vulnerability”, “social exclusion” and “exploitation” as results of the current “employment crisis.”

In fact, the report recommends that to reduce social vulnerability, the international community should support governments willing to move away from neo-liberal policies and assert their authority to curb market forces, loosen inflation controls and abandon fiscal austerity in order to promote employment. But giving states this option is just about the only thing the report suggests can be done to tackle globalisation’s negative impact on income security on a global level. Whilst “It is critical to make employment creation central to all economic and social policies”, there is no mention that it is critical to globalise the basic rights to income security. Social protection is presented as a desirable, but secondary objective governments should deal with as they please: “the development of some form of social protection” is but an “important step for developing countries to take to deal with the consequences of modernization and globalization.”

This leaves us with something of a paradox: An analysis of the sources of social vulnerability finds out that income (in-)security and (the lack of) social protection are critical concerns for men and women across the world, and suggests that employment creation, rather than income security should become a primary policy objective. This paradox is where my story for today starts. In the following, I would like to cast more light into the reasons why despite all evidence, the still relatively fragile global policy agenda firmly associates income security with employment and assumes that the promotion of “decent work” is the only means to empower women and men to work on a

7 United Nations (2003b: 51, 69)
decent life. To do that, I will first map how income security policies fit into the context of the emerging global social governance framework. I will then argue that the ILO’s Decent Work Agenda interferes with Basic Income and should be thought of as part of the problem, rather than a solution for social vulnerability. Lastly, I’ll sketch a plan for further research on the conditions of a globalisation of income security and the prospect of “decent lives.”

**Matters of Agency**

It has become somewhat of a commonplace to say that, unlike economic policies, social policies remain firmly embedded in national politics. In fact, we are facing the emergence of a framework for global social governance (involving a wide range of international organisations, multilateral and regional institutions, NGOs, TNCs as well as other civil and private actors with overlapping and often conflicting goals and priorities) which is closely linked to the setting of a global social policy agenda.\(^9\) A major turning point leading to this development was no doubt the failure of the WTO Round in Seattle, which reflected both the growing popular dissatisfaction with the social impact of neo-liberal globalisation and the reorganisation of the political opposition against the “northern” lead trade and investment liberalisation.\(^10\) However, it is probably safe to say that things started to change when, at the 1995 World Summit for Social Development, 134 heads of state agreed that even if social development was to remain “a national responsibility, it cannot be successfully achieved without the collective commitment and efforts of the international community.”\(^11\)

In the *Copenhagen Declaration on Social Development*, the international community laid out a framework for action that should place “people at the centre of development and direct our economies to meet human needs more effectively.” They accepted that this required an integration of economic, cultural and social policies “so that they become mutually supportive, and acknowledge the interdependence of public and private spheres of activity.” But they also made clear that “the achievement of sustained social

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\(^9\) For a map of the issues, see Deacon et al. (2003)
\(^10\) Howard (2004)
development requires sound, broadly based economic policies.”12 Within this framework, the main objectives of the social development agenda were soon set: Besides creating an “economic, political, social, cultural and legal environment” that would favour social development, the signatories committed themselves to take “decisive national actions” and to enhance international cooperation to “eradicate poverty in the world.” They further agreed on promoting full employment as “a basic priority of our economic and social policies”, and emphasised that they intended to enable “all men and women to attain secure and sustainable livelihoods through freely chosen productive employment and work.”13

Against the background of sustained economic growth, poverty eradication and productive employment were clearly thought of as the core of social development, which had clear priorities. According to the Programme of action, national poverty reduction strategies should pay “particular attention … to employment creation”, whilst it is sufficient if they give “appropriate consideration to health and education”, assign “a higher priority to basic social services” and promote “access to productive assets and economic opportunities.” The need to enhance social protection and reduce vulnerability figures at the end of the list of objectives.14 Similarly, the top priority of the work agenda was to place “the creation of employment at the centre of national strategies and policies,” to “expand work opportunities” and to “increase productivity”, with only the last objective aiming at “a broader recognition of [unremunerated, mainly reproductive] work.”15

[Call upon all parts of the UN-System…]

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13 United Nations (1995: 9) Most other commitments, such as promoting “universal and equitable access” to education and healthcare and strengthening “the role of culture in development” (Commitment 6), or “ensuring that … structural adjustment programmes … include social development goals” (Commitment 8) were presented as contributions to the eradication of poverty, the promotion of full employment and the enhancement of social integration, which had been the fourth commitment.
Reframing the Development Agenda

A first important set of coordinates for the relaunch of social development emerged when the UNDP presented its *Human Development Report 1997*, which defined Human Poverty in terms of human capability – of what people can or cannot do, rather than what they do or do not have. According to the UNDP, the notion of capability should help to design social development policies, and in particular poverty reduction strategies, so that they take into account that “the poverty of a life lies not merely in the impoverished state in which the person actually lives, but also in the lack of real opportunity – due to social constraints as well as personal circumstances – to lead valuable and valued lives.”\(^{16}\)

The main policy challenge became to identify and promote such opportunities. To meet the challenge, the UNDP initially identified six “essential actions”: 1) to “empower individuals, households and communities”, ensuring first and foremost “their access to assets as a protection against vulnerability”; 2) to strengthen gender equality; 3) to promote pro-poor growth, consisting mainly in restoring full employment “as a high priority of economic policy”; 4) to establish “better policies” and “fairer rules” for the “management” of globalisation; 5) to strengthen the state; and lastly, to 6) create room to “take special actions for special situations.”\(^{17}\) However, the priorities were not thought of as binding, and in the 2000 Report *Overcoming Human Poverty*, the UNDP adopted a broader approach, suggesting that successful poverty reduction strategies had to “be comprehensive”, that they depended on “adequate funding and effective coordination by a government department or committee with wide-ranging influence” and that they had to be “nationally owned and determined.”\(^{18}\)

Analysts have pointed out that the 2000 report reflects the UNDP’s shift “from a preoccupation with local-level project-based initiatives to a concentration on national poverty reduction strategies.”\(^{19}\) But that does not mean that social policy was left to national governments. In fact, even if the UNDP still lacks “an extensive record of

\(^{16}\) UNDP (1997: 16)

\(^{17}\) UNDP (1997: 110-111)

\(^{18}\) UNDP (1997: xxx)

\(^{19}\) McKinley (2004: 4; 12)
support to social policies”, the second goal of its current Strategic Result Framework for poverty reduction explicitly aims at supporting governments in protecting and expanding the “asset base of the poor” and in broadening their access to social services and “systems for risk management.”

The UNDP’s interest in national social policies and the belief that the international community and national governments should co-operate to broaden the Poor’s access to assets and to reduce vulnerability established social policies addressing income security on the global development agenda. The problem was that in most parts of the world, access to assets and social protection systems was either inexistent or inefficient, and that governments subject to structural adjustment programmes (and competing for foreign investments) had little leeway to do anything about that. But that, too, should change.

Restructuring the Financial Framework

For the Bretton Woods Institutions, the WSSD meant planning measures that would mitigate the social impact of macroeconomic policies. At their 1999 annual meeting, the World Bank and the IMF agreed to replace the Enhanced Structural Adjustment Facility (ESAF) with the Poverty Reduction and Growth Facility (PRGF) in order to refocus their structural adjustment programmes to meet the Copenhagen goals. As the IMF points out, new PRGF-supported programmes were designed to give “more attention to the poverty and social impact of key macroeconomic policy”: By recognising “the principle of broader public participation and greater country ownership”, the new facility should reduce conditionality to measures “that have a direct and critical impact on the programme’s macroeconomic objectives”, such as “exchange rate and tax policy, fiscal management, budget execution, fiscal transparency, and tax and customs administration.” At the same time, each individual programme’s focus on national poverty reduction and growth priorities gives governments more room to (re-) frame social policies, even

20 McKinley (2004: 4; 12)
21 UNDP
though the Fund made clear it would still be dedicated to ensuring that the programme “can be financed in a sustainable, non-inflationary manner.”\footnote{IMF (2004)}

The IMF has also made clear that its support for social policies are based “on the principle that poverty reduction, high levels of employment and pro-poor growth cannot be achieved without a consistent macro-economic and structural reform policy framework.” However, its programmes were to include advice on “best practices on social protection systems … with focus on maintaining adequate protection levels during financial crises.”\footnote{United Nations (2001: 30-31)} In fact, the IMF and World Bank both recognised that growth promoting measures do not provide immediate income security, and that it is necessary to establish “well-targeted safety nets that protect poor and vulnerable people from unforeseen shocks and dislocations occasioned by necessary reforms.”\footnote{IMF and World Bank (2004: 43)}

The design of social protection systems is competence of the World Bank. Distinguishing between informal, market-based and public arrangements of “Social Risk Management”, the Bank recommends to analyse and strengthen “the risk management arrangements by the market, communities and households” and to “identify the most appropriate mix of institutions and instruments for reducing poverty and supporting economic development, given a country’s traditions, institutions, culture and budget.”\footnote{World Bank (2003: 9)}

So far, this has pretty much meant advising governments to stick to minimal levels of social protection and targeted safety nets.\footnote{Deacon (2002: 7)} [Time to see…]

**Reviving Labour**

If we look at the recommendations of the World Commission on the Social Dimension of Globalization, the commitment to put people at the centre of development starts making a little bit more sense. Moving away from the IMF and World Bank’s focus on macroeconomic and structural adjustments, the Commission argues that social policies should be grounded on the concerns and expectancies of the women and men most

affected by globalisation. However, assuming that people are “most directly affected by globalisation through their work and employment”, and that they “see the world through the optic of their workplace”, the focus on the people is somewhat blurred when suddenly the workplace becomes the main axis defining the social dimension of globalisation. In fact, the Commission argues that to share the gains from globalisation, “countries, enterprises and people have to be able to convert global opportunities into jobs and incomes.” And like the UN Division for Social Policy and Development, the Commission it emphasises the jobs.

Again, the priority of the workplace has a cost: To create a social floor for the global economy, governments have to commit themselves to “achieving the highest possible rate of economic growth; promoting full employment; and maintaining macroeconomic stability.” Which means that there is no reason to endorse policies aiming at providing universal income security, even if the Commission does recognise that “a competitive international economy … triggers the need for frequent adjustments to national production processes, and hence to jobs and the life strategies of women and men.”

Nevertheless, the commission does recognise the importance of social protection systems, and supports an extension of “unemployment insurance, income support, [and] pensions” to “the informal and rural economies, women, and other groups who are largely excluded.” But rather than proposing a global agenda or emphasising national ownership, the Commission suggests to empower “local organisations and initiatives” to help design, focus and implement targeted safety nets.

**Decent Work**

The Commission’s reliance on full employment and targeted safety-nets and its reluctance to put income security on the global policy agenda leads us to the central theme of this paper, and to the question how the construction of policy coherence in the ILO’s decent work agenda affects income security and the prospect of a globalisation of

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27 World Commission on the Social Dimension of Globalization (2004: 64)
Basic Income. In fact, the Commission’s faith in decent work and its scarce interest in a global policy perspective on income (in-) security very much reflect the conclusions the ILO Director-General drew from the *World Labour Report 2000*, in which he affirmed that “Achieving decent work for all women and men will be the key to security.”

Even if decent work and income security are linked, they are neither equally important nor interchangeable. Yet, the hierarchy seems a bit awkward; considering the importance of “high rates of economic growth of an employment-intensive nature” that are necessary for a sustained job creation, it is difficult not to see the inevitable trade off with most of the things that define “decent” working conditions. At least, I find it difficult to think of decent work without thinking of income security, but almost impossible to imagine that in the present situation (high unemployment, increasing rates of precarious and informal labour) decent work can be achieved without income security.

However, the awkwardness does fit into the ILO’s rights based approach to globalisation and its emphasis on social dialogue and the promotion of employment, in which material conditions of agency (and therefore the individual and collective “capabilities” of “workers” of all kinds) continue to play a subordinate role.

Right from its launch, Decent Work reflected the ILO’s focus on the regulatory and participatory dimension of the promotion of employment in the formal economy; thus, immediately after defining Decent Work as “productive work in which rights are protected, which generates an adequate income, with adequate social protection”, the 1999 report of the Director-General reassured the members of the International Labour Conference that decent work “also means sufficient work, in the sense that all should have full access to income-earning opportunities.” He also assured them that the promotion of such opportunities “in conditions of freedom, equity, security and human dignity” would remain the ILO’s primary policy goal.

31 ILO (2000: vii)
32 Islam (2003: 26)
33 For a broader discussion, see Standing (2002: Ch. 3,4 and 9)
34 ILO (1999: 13, 3)
Both statements were important because the 1999 report was the official announcement that Decent Work would serve as the “converging focus” of the four strategic objectives [Human Rights, Employment, Social Protection, Social Dialogue] defined in the ILO’s constitution and mandate. In fact, it looks like the ILO launched the Decent Work programme primarily to align its activities with the results of the review of its activities in light of the Copenhagen agenda, which highlighted the importance of developing “employment policies through social dialogue” and asserted the need to focus research and technical co-operation on full employment and to “mainstream” employment objectives into national policies. As early policy briefs point out, the main “clusters” of the decent work agenda are not just “a rights-based approach to development” and “broad social protection” but first and foremost the promotion of a “performance work organization” and a “sustained social dialogue” capable of elaborating “full-employment policies” and “inclusive labour market policies.”

This should give us a clue as to why income security remains linked to employment, rather than becoming a primary goal of global social policy: In fact, employment is not only at the “core of the ILO’s mandate”, but also at the core of its approach to the social development. In fact, the institutional bias helps to explain why the ILO is convinced that “Without productive employment, the goals of decent living standards, social and economic development and personal fulfilment remain illusory.” [almost like the WTO believes that without trade liberalisation…]. It also helps explaining why, even if in the meantime, “decent work” is no longer presented in terms of the traditional forms of wage employment in the formal economy, and includes reproductive work (still mostly carried out by women) or “improductive” forms of participation in the economy (which both require a basic income security), the promotion of (full) employment in the formal economy remains the key to the development-through-decent-work agenda.

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35 ILO (1999: 3)
36 ILO (1999: 22)
37 Egger and Sengenberger (2001)
38 ILO (1999: 21)
39 ILO (1999: 21)
The reasons why the institutional bias undermines income security and anything resembling the Basic Income agenda are of a different nature. Whilst the 1999 report recognises macroeconomic growth as “one of the primary determinants of employment growth” necessary for spreading Decent Work, it acknowledges that “the areas of macroeconomic policy reform … extend far beyond the ILO’s immediate concerns and competencies.” Consequently, the report admits that even if a “widening of ILO expertise will help support employment policy at the national level”, this will not do: The employment impact of financial fluctuations, the employment intensity of growth, the interdependence between macroeconomic and labour market policies and the effect labour market institutions have on investments “are issues for which the international community as a whole needs to develop new and more socially relevant structures of governance.”

This leaves us with something of a paradox. Even though the ILO affirms it has a “major contribution to make” to internationally coordinated efforts to reform macro economic policies, it’s main contribution to the integration of macroeconomic and social policies is to provide information and analysis on employment – which, as we have seen, is far less than the Bretton Woods institutions consider their immediate concerns and competencies. And which I believe is one of the reasons why we should start thinking of Decent Work as an obstacle, rather than a vehicle for the promotion of the Basic Income Agenda, at least as long as the ILO defends its leadership in the framing the “social floor” of globalisation. [Are there alternatives…?]  

**Income Security and Global Social Governance**

The discontents of the global policy agenda surface in the UN Secretary-General’s report on the *Implementation of the outcome of the World Summit for Social Development and the 24th special session of the General Assembly*. The picture it paints is gloomy: Despite

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40 ILO (1999: 22-23)  
41 ILO (2004a) Examine trend on income security: In its 2004 progress report, the ILO Committee on Employment and Social Policy affirms that the “overall objective” of the Global Campaign on Social Security and Coverage for All is “to develop awareness and achieve universal access to health care as well as basic income security for all.” But it also affirms that its focus is “first and foremost operational.” Does this mean it strengthens existing institutions, or that it recommends structural adjustments to transform safety nets into a universal frameworks for income security and empowerment? ILO (2004b: 2)
repeated calls for a harmonisation and integration of social and economic policies, governments – irrespective of their development status – continue to subordinate social policy goals to “sound macroeconomic policies, which aim primarily at the rapid correction of fiscal imbalances and external deficits under conditions of low inflation, the removal of controls on the movement of capital and liberalization of the financial sector, and openness to foreign trade and investment.”

However, if the picture is gloomy, it’s also unfinished. The report recognises that a reversal of the priorities is unlikely in the short run, but repeats that the global economy depends on social development and that social goals cannot simply be sacrificed to macro-economic stability. If it is true that “social progress cannot be made under unstable economic conditions”, there is no way to ignore “that economic stability cannot be sustained in an unstable society.”

A first crack. The need to “stabilise” society casts light at the limits of a growth and employment based approach to social development. Which is where things get interesting with regards to the way social policies are defined by the existing framework for social global governance.

Rather than simply restating the Copenhagen Declaration, the UN report recognises that none of the commitments made at the time are likely “to translate into integrated policy approaches without innovative conceptual and operational frameworks that would ensure coherence and the balanced integration of economic and social policies.”

Acknowledging that, rather than attempting to integrate social and economic policies into existing agendas, it might be necessary to develop innovative conceptual and operative frameworks for social development, the report (and the current state of social development) is an invitation to re-examine economic priorities, and an opportunity to challenge the mainstreamed link between employment promotion, decent work and basic income security.

42 United Nations (2003a: 6)
43 United Nations (2003a: 6)
44 United Nations (2003a: 6)
Outlook

The question is how to seize this opportunity. As Phillip van Parjis has shown, the problem is hardly conceptual. Basic Income is a simple and powerful idea that leaves room for complex policy measures reflecting different national and regional settings. Nor is it its feasibility. Research on social security reform in South Africa has shown that Basic Income can work and that it should be endorsed. The problem is, I believe, that unlike the idea, the operational framework for a globalisation of Basic Income is yet unclear. When Van Parjis suggested to think of Basic Income as “a worldwide project”, he sketched two alternative strategies aiming either as a “swelling” or a “spreading” of Basic Income. A swollen basic income would be “organised in a truly universal way”, meaning that it would be “administered and funded at a global level.” As far as I can see, this implies the unlikely emergence of a global government capable of defining social goals and policies, which would require a just as unlikely radical reform of the UN-system. The spreading of Basic Income can be thought of as a somewhat spontaneous process, driven by South African campaigners, Brazilian senators and Columbian trade union circles.

However, it can, and to conclude, I suggest should be thought of in terms of the emerging framework of global social governance. What does this mean? Political scientists offer different sets of explanations for the interpretation of the conditions and the working of global governance. Many generally argue that international co-operation requires a consensus about the norms, principles, rules and procedures necessary to cope with a specific policy area. Although some will acknowledge that co-operation can be norm-driven, most emphasise the preferences and interests of the actors involved. Which means that to understand the framing of global social governance by, with and without

45 See van Parijs (2000), and more comprehensively van Parijs (2004)
46 EPRI (2002) and Taylor Report
47 van Parijs (2002)
48 van Parijs (2002)
49 van Parijs (2002)
50 According to Krasner (1983), international regimes which may be, but are not necessarily constructed around international organisations, can be thought of as „sets of implicit or explicit principles, norms, rules, and decision-making procedures around which actors’ expectations converge in a given area of international relations“.
governments, it is necessary to understand not just the “national” interests of states, but also the preferences and actions of different branches of government, regional and international organisations, trade unions, business groups, NGOs and civil society actors. It means looking how each of these actors is prepared to deal with the trade off between the right to productive employment and the right to basic security. And to convince the relevant actors that it is worth it.

**Bibliography**


