Is a Gendered Reflexive Governance Approach Useful in the Context of the Social Dimension of the Economic Crisis?

A Look at G20, ILO and OECD Responses

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(Note: This draft was prepared in February 2012. When delivered at the ILERA Conference in July, the Los Cabos G20 meeting scheduled for June 2012 should have taken place. The outcome of this summit may call for some changes in the text.)

1 Thanks go to Professors Jefferey Atik, Sungjoon Cho, Claire Kelly and Jean-Marc Thouvenin for their suggestions. Any errors are the responsibility of the author alone.
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Anne Trebilcock

1. Introduction

When writing the proposal for this paper, I made two assumptions that have turned out to be false. The first was that a single idea of reflexive governance could be identified as the framework for examining the responses of the International Labour Organization (ILO) and the Organisation for Co-operation and Development (OECD) to the economic crisis that began in 2007/2008. The second was that by now, with impetus from the Group of 20 (G20), the crisis would be well on its way to being over. Instead, people are taking to the streets in anger and dismay over the failure of governments and of the financial sector to come to grips with the root causes of the crisis. After showing some signs of recovery, developed countries now face a massive sovereign debt problem, with fear of contagion to the emerging economies and the developing world that have in recent years enjoyed higher growth rates. It appears that neither Governments nor market actors sufficiently understood the interdependence between the market, national regulatory regimes, and social dialogue processes, and in particular the nature and extent of the systemic risk created by the way the global financial markets had evolved.

To remedy the first false assumption, about reflexive governance, I have selected the most promising of many versions of the theory in this context, and then added a gender dimension. In general, reflexive governance involves state and non-state actors, and entails learning that is continuous and questioning, learning that goes beyond deliberation or reflection, and in the most extreme form involves self-confrontation. As Scott has observed, “the issue of how the conditions for appropriate learning may be developed is primarily a question about institutions.”

It is for this reason that a look at the crisis responses of the OECD and the ILO, especially in the context of the G20 framework, and the potential these hold for greater policy coherence in future, is worth pursuing. While the reflexive governance approach contains some useful elements for deepening the understanding of these institutions and their contribution to policy coherence, it also displays some shortcomings. Along the way, we will see how the enhanced role played by the Group of 20 (G20) reflects a new balance of power.

As for addressing the second false assumption, I - along with many others - unfortunately have no quick fix for the world economy.

A recent joint study prepared by the ILO and the OECD at the request of the G20 for its labour ministerial meeting in 2011, warned of a massive jobs shortfall among G20 members. It predicted that employment would have to grow at an annual rate of at least 1.3 per cent in order to return to the pre-crisis employment level by 2015. But employment is likely to grow more slowly, resulting in a 40 million job shortfall in G20 countries next year and a much larger shortfall by 2015. At country level, labour market performance has been highly differentiated, with important gender distinctions in the public and private sectors. The lingering employment crisis is exacerbating structural problems in the form of high and mostly rising youth unemployment and an increasing incidence of long-term unemployment. There is a growing divide between workers with and without decent jobs. Even in many advanced G20 economies, a significant and

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3 Ibid.

often growing share of workforce is employed in precarious work – the fate which most workers in developing countries have faced for some time. Most importantly, despite the new rhetoric in G20 Leaders statements, the IMF is continuing to prescribe medicine that is strongly reminiscent of structural adjustment policies that brought little growth and much misery in the 1980s and 1990s. And while most of what the ILO and OECD have proposed has received a positive echo in the G20, a serious commitment to regular reporting on progress in relation to employment for women and men has not yet accompanied the periodic review of steps that has been introduced in relation to achieving other G20 goals. The stated desire for greater policy coherence has not yet become reality. Nor has the vision of the Global Jobs Pact in relation to gender:

“This current crisis should be viewed as an opportunity to shape new gender equality policy responses. Recovery packages during economic crisis need to take into account the impact on women and men and integrate gender concerns in all measures. In discussions on recovery packages, both regarding their design and assessing their success, women must have an equal voice with men.”

2. Potentially useful reflexive governance frameworks

Before looking at the responses of these institutions in relation to the social dimension of the crisis, we can identify a matrix, derived from reflexive governance theory, in which they can be examined. Reflexive governance has no uniform definition and has been evoked in a wide variety of contexts. Theories of reflexive governance have arisen primarily in the context of debates over the appropriate role of the state and optimal forms of and circumstances for regulation/self-regulation, such as seen in alternatives like the neo-institutional economics approach, the collaborative-relational approach through dialogue and the pragmatist/experimentalist approach. In this sense, the theories build on and go beyond the work of Charles Sabel, Jürgen Habermas and others on collective learning that is decentralized, with pooling of results, learning that is collaborative-deliberative in nature, and to some extent network theory.

The term “reflexive” connotates reflection back onto one’s self, a type of introspection in response to a stimulus. Displaying a partial overlap with the capabilities approach developed by Amartya Sen and Martha Nussbaum, reflexive governance also stresses the need to ensure the resources and the enabling conditions required for effective participation in collective action. “The lack of information, power imbalances, the inability to translate intuitions about desired outcomes into concrete policy proposals, or the lack of access to networks – all this matters” for reflexive governance.

According to Olivier De Schutter and Jacques Lenoble, each of the theories using the term reflexive governance “is based (albeit most often implicitly) on a distinct view of collective learning.” At the same time, an economically globalized and interdependent world calls for collective action above the national or regional level. The dilemma here, these authors argue, is “the absence of fora that are sufficiently integrative to allow for trade-offs between different issues, and in which actors meet that only

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8 De Schutter and Lenoble, op. cit., pp. xx, xxii.
9 Ibid., p. xxii.
10 Ibid., p. xxiv.
share a minimal sense of solidarity.”

They ask how collective learning can be orientated towards the fulfillment of aims other than improving performance on increasingly global markets, particularly aims relating to social and environmental sustainability. Here the contribution of network governance offers at least a partial reply, whereby network institutions can, in Tom Dedeurwaerdere’s terms, create synergy between different competences and sources of knowledge.

Institutional rules that define engagement in a cooperative enterprise, use of benchmarking, comparison of results as a basis for comparing errors, information sharing, and mutual assessment of each partner’s reliability in the relation to joint activity form parts of this approach. However, network governance has been criticized as too weak, and indeed in the financial realm is seen as one of the causes of the current economic crisis. Dedeurwaerdere proposes confronting network governance with reflexivity, to shift the attention from learning within an established network to the association of new groups in a process that creates conditions for their common transformation.

The strain of reflexive governance promoted by De Schutter and Lenoble is termed “genetic reflexive governance.” It entails first, the setting of conditions for the production of the actors’ capacity to carry out the reflexive process required for the success of the learning operation, and the creation of institutional conditions that are likely to guarantee effective implementation of the actors’ commitments. With its emphasis on self-capacitation, the genetic reflexive governance theory implies an indirect form of institutional supervision of the learning process. Thus, “while a ‘capabilities’ approach [of Sen and Nussbaum] seeks to equip actors from the outside …, the genetic approach insists on the need to empower actors in a very specific way: by encouraging them to exercise power also on the existing identities and traditional definition of interests.”

As noted by Jan-Peter Voß and René Kemp, reflexive governance can, by initiating procedures through which problem perceptions, assessment criteria and action strategies of different actors can be exposed to each other, lead them mutually to adapt their perceptions, criteria, and structures before such adaptation is imposed in a much more costly way. In a process that has been called “self-confronting,” they revise their framing of a situation and the adequacy of the answers they provide. In addition, in reflexivity attention shifts to include attributes of the actors who do the assessment. These become a constitutive element of appraisal, bringing out disciplinary perspectives, institutional interests, cultural values and economic priorities. Through a critical experience, confrontation with a third perspective shifts attention from adjustment between various actors’ strategies to their confrontation with the perspective of other potential beneficiaries of public goods. For confrontation to lead to a form of social dialogue that can yield productive results instead of street clashes, however, functioning labour market actors and institutions need to exist and be open to learning.

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11 Ibid.
13 Ibid., p. 186.
14 Ibid., p. 195.
19 De Schutter and Noble, op. cit., p. xxiv.
21 Dedeurwaerdere, op. cit., p. 195.
It is fitting that one of the most interesting strands of reflexive governance for our purposes comes from the field of industrial/labour relations, a topic of traditional interest to both the ILO and the OECD. Marc van der Meer, Jelle Visser and Tom Wilthagen have developed a matrix that is instructive for examining policy coherence in the context of the economic crisis. They set out a topology for participation in what they term governance steering, in terms of policy alternatives, issues and external effects. Where the issue and general solutions are more or less understood, and a major risk to outsiders is posed, they find steering by objectives (adaptive governance) to be appropriate. If the issue and general solutions are complex and not well understood, steering by comparison (open coordination) is appropriate. Where, however, the risk to outsiders is minor, they suggest no steering (subsidiarity) when the issues and solutions are understood, and steering by procedure (their equivalent term for reflexive governance) when they are complex and not understood.

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<th>Table 1. Governance methods: Adaptive, reflexive, coordinative and through subsidiarity</th>
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<td>Cross-cutting questions for all: (1) Do the policies take into account gender dimensions? (2) Are the policies coherent in relation to each other?</td>
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Their matrix, which was developed in terms of the role of national government and labour market actors, can be extrapolated onto the global plane and given an explicit gender lens (see Fig. 1). This would then require identification of the so-called “outsiders” (non-Members of an institution? Persons or entities whose interests are not sufficiently represented in an institution? Others?). The second element to consider is the extent to which the issues involving the social dimension of the economic crisis are complex and whether they are understood or not (taking gender concerns into account) by both policymakers and the so-called “outsiders”. Deeper research by the ILO and the OECD, among others, would reveal the categories into which various issues would fall, allowing a path to be charted for further research and understanding of contested issues. Where we have complex, incompletely understood issues that pose major risks to outsiders, steering by comparison (open coordination) would be more appropriate for addressing the current dilemma than reflexive governance would be. Where issues and solutions are already understood, adaptive governance or even subsidiarity would be the preferred choice.

In the opinion of van der Meer et al., reflexive governance is possible when there is a need only for “minimum rules against (self-)exploitation, provided that decision-taking rights are guaranteed”. Preconditions for this would be the State ensuring procedures for access, participation and quality decision-making, all of which would need sensitivity to gender aspects. The dilemma for reflexive governance in relation to the social dimension of the economic crisis is precisely that States do not offer

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22 M. van der Meer, J. Visser and T. Wilthagen, op. cit.
23 Ibid., p. 355.
such guarantees in reality. Indeed, some States actively undermine the rights that would permit successful access and meaningful participation.  

If we look more closely at the alternative identified for use in complex situations, open coordination, the comparison involved can be done in a number of ways. In the Open Method of Coordination – itself the object of much criticism -- used by the European Union, the comparison is in relation to a commonly defined target or goal, as for instance those articulated in the Lisbon process or in the context of European company law. As Simon Deakin has observed, the use of reflexive or responsive techniques of regulation implies that diversity of practice among Member States is a resource which, when coupled with open coordination methods such as benchmarking and mutual monitoring, provides a basis for experimentation and mutual learning.

However, a comparison can be vertical as well as horizontal, that is, one which looks at evolution over time within each country (or each organization), on the basis of its own starting point. This is the implicit approach of Decent Work Country Programmes and was the philosophy behind the country profiles drawn up under the Follow-up to the ILO Declaration on Fundamental Principles and Rights at Work. And if it is agreed, for instance by the ILO and the OECD, in response to G20 requests, that certain solutions are already well understood (but perhaps not implemented), it could be that the model of adaptive governance, or steering by objectives, is the more appropriate avenue. Even the example cited by van der Meer et al. is appropriate: there could be the joint adoption and annual revision of thresholds for (higher) employment participation and (lower) welfare dependency ratios (or in countries without welfare systems, a lower poverty rate). With a gender dimension added, this would feed into mutual learning that would be open to challenging given wisdom and thus development of more responsive policies. Why is it important to add a gender dimension? Labour markets remain segregated, and the economic crisis has hit women and men differently, over the shorter and longer term. As the ILO has noted, “Measures that aim to support a sustainable and balanced economy recovery must take account of gender issues if they are to achieve their goals.” So what has the track record of the G20, the OECD and the ILO been so far?

3. The roles of the G20, the OECD and the ILO in relation to the social dimension of the crisis

The G20 has asked various organizations to carry out a series of tasks in relation to its Framework for Strong, Sustainable and Balanced Growth, in essence acting as a non-paying contractor as well as a policy forum. Overall, both the ILO and the OECD have positioned themselves well to highlight their own agendas as important contributors to the search for solutions to the financial and economic crisis and its impact. They have embarked on new initiatives and adapted some of their traditional means of operation in the light of the economic crisis. The G20 has both used them and been used by them to assert their respective relevance in contemporary circumstances. Triangular legitimizing has taken place among these

25 At the EU Spring Summit in Lisbon (March 2000), the EU Heads of State and Government agreed on the objective to create “the most dynamic and competitive knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion” by 2010. The strategy contained concrete targets in several areas, such as increased labour force participation among women and older persons.
27 Van der Meer et al., op. cit., p. 357.
three institutions, which we now look at in turn. Whether or not these developments also display indications of gendered reflexive governance and greater policy coherence will be returned to further below.

A. The Group of Twenty (G20)

According to its self-description, “the Group of 20/G-20 Finance Ministers and Central Bank Governors was established in 1999 to bring together systematically important industrialized and developing economies to discuss key issues in the global economy.” The G20 includes the participating countries in the G8, and to a large extent has eclipsed it. As the leaders at the Seoul G20 Summit commented, and the G20 itself readily flaunts, “The G-20 is the premier forum for our international economic development that promotes open and constructive discussion between industrialized and emerging-market countries on key issues related to global economic stability. By contributing to the strengthening of the international financial architecture and providing opportunities for dialogue on national policies, international cooperation, and international financial institutions, the G-20 helps to support growth and development across the globe.”

In addition to the European Union, the G20 membership comprises these 19 countries: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Italy, Indonesia, Japan, Mexico, Republic of Korea, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom and the United States. At the G20 Seoul Summit, the leaders agreed that no more than five non-member countries will be invited to each summit; at least two are to be from Africa. The G20 is thus somewhat smaller but more diverse than the membership of the OECD (composed of 34 democratic market economy States, plus accession and enhanced engagement partners, as described below). And the G20 is a far cry from the universality of membership that characterizes the ILO (183 Member States, most of them developing nations). There is however overlap between the G20 membership and the seats reserved on the ILO Governing Body for the ten countries of chief industrial importance. There is also participation in G20 meetings by certain international organizations, including the International Monetary Fund, the World Bank, the ILO and the OECD.

It is not surprising that the G20 has elicited criticism related to its self-selected composition, where economic weight and population override other factors. According to some, it fails the indicators of legitimacy: representation and procedural fairness, and certainly erodes the notion of the sovereign equality of States. It also gets low marks for transparency: “The inner workings of the G20 are relatively untransparent when compared to institutionalized international organizations.” Without its own secretariat, it must rely on other organizations and on private sponsorship. Its role is thus essentially one of calling for coordination and facilitating networks. The G20 has been characterized as a “mega-network, or a network of networks, … which inevitably restores a conventional inter-national representativeness,” posing the eventual danger of degradation into an “empty talk shop.” In any event,

30 “About G-20” www.g20.org/about_what_is_g20.aspx.
33 The number of 28 titular members of the Governing Body is fixed by the ILO Constitution, but under interim arrangements made pending entry into force of an amendment to the ILO Constitution, adopted in 1986 but not yet in force, it is in fact larger. The amendment would eliminate the 10 currently reserved seats in favour of a system of regional representation.
35 See, for example, the logos of firms that appear on the home page of the G20 Presidency of France.
at the moment the G20 reflects a changed de facto balance of power in the world order. It is thus not surprising that both the ILO and the OECD have gravitated towards it.

At the Cannes Summit in early November 2011, the G20 Leaders stated the firm belief that “employment must be at the heart of the actions and policies to restore growth and confidence that we have undertaken under the Framework for strong, sustainable and balanced growth.”37 To combat unemployment and promote decent jobs, especially for youth and others most affected by the crisis, the G20 Leaders set up a G20 Task Force on Employment to provide input into the G20 Labour and Employment Ministerial Meeting in 2012,38 thus pursuing a recommendation made by those Ministers in 2011.

In addition to the employment aspect of decent work, the G20 has now recognized the importance of investing in nationally determined social protection floors, such as access to health care, income security for the elderly and persons with disabilities, child benefits and income security for the unemployed and assistance for the working poor.39 The G20 leaders also committed to “promote and ensure full respect of (sic) the fundamental principles and rights at work,” and encouraged the ILO to continue promoting ratification and implementation of the eight fundamental Conventions.40 Brining in the fourth element of the Decent Work Agenda, the G20 welcomed the B20 and L20 meetings that brought together representatives of business and labour from G20 countries, and their willingness to work together as witnessed by the B20 L20 Joint Statement.41 In it, the B20 and L 20 described their common vision in relation to employment (agreeing that priority has now to be put on creating an environment conducive to enterprise and job creation), social protection (with emphasis on nationally designed social protection floors and the importance of a demographic and rights based approach), fundamental principles and rights at work (with reference to various ILO texts)42 and coherence of actions in the multilateral system.

Further, at Cannes the G20 Leaders endorsed the conclusions of the G20 Labour and Employment Ministers meeting (Paris, 26-27 Sept. 2011) that had reaffirmed the recommendations made at their April 2010 meeting in Washington, as well as commitments made by leaders at the G20 Summits in Pittsburgh, Toronto and Seoul.43 Some of the September 2011 Ministerial recommendations had referred specifically to the ILO and/or the OECD, such as welcoming the ILO contribution to the Framework for Strong, Sustainable and Balanced Growth, which the G20 Leaders had endorsed in Pittsburgh in 2009.44 Several comments encouraged greater coordination of action among international organizations (see section 4 below). However, aside from an indirect reference through mention of fundamental principles and rights at work, a gender dimension has been noticeably lacking in G20 statements and initiatives.

B. OECD

The contemporary expression of the OECD’s broad mandate is encapsulated in the phrase alongside its logo: “Better policies for better lives.” In its constitutive instrument, its mandate is set out in these terms: “to promote policies designed (a) to achieve the highest sustainable economic growth and employment and arising standard of living in Member countries, while maintaining financial stability, and thus to contribute to the development of the world economy; (b) to contribute to sound economic expansion in

38 Ibid.
39 Cannes Summit Final Declaration, para. 4.
40 Ibid. (Cannes FD), para. 5.
41 Ibid. (Cannes FD), para. 7.
42 In order of mention, “various ILO tools” (presumably including ILO Conventions and Recommendations), the 1998 ILO Declaration on Fundamental Principles and Rights at Work, the Guiding Principles on Business and Human Rights adopted by the UN Human Rights Council, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.
44 Pittsburgh Summit, Leaders’ Statement (Sept. 24-25, 2009).
Member as well as non-member countries in the process of economic development; and (c) to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations.”

Operationally, however, the OECD relies much more on the dissemination of data and analytical research, along with peer reviews and exchanges of views and good practices. Its main strengths have been identified as its focus on “the creation of communities of influence and conditional agenda-setting” and cooperative problem solving through use of global networks.

The OECD membership now totals 34 countries (Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States). It brings more countries into the picture with its accession initiative (with Russia) and enhanced engagement initiative, based on mutual interest, with major emerging economies (Brazil, China, India, Indonesia and South Africa), and ad hoc involvement of other nations in the context of specific issues. There is thus a substantial but not complete overlap with G20 countries, while all OECD Members are also ILO Members.

A special relationship to the OECD is enjoyed by the Trade Union Advisory Committee (TUAC) and the Business Industry Advisory Committee (BIAC), both independent non-governmental organizations. TUAC is comprised of affiliates from national trade unions in the OECD member States, while BIAC represents the interests of businesses. Formally they interact through the Labour/Management Programme and in committees where they have been given observer rights, but their informal influence is greater through frequent meetings with the Secretariat and Ambassadors to the OECD. BIAC, for instance, works through numerous policy groups to cover the major aspects of OECD work most relevant for business, and may partner on occasion with the International Chamber of Commerce or the International Organization of Employers. For research and advocacy work, TUAC often joins forces with the International Trade Union Confederation (ITUC). Both TUAC and BIAC provide important feedback to OECD from actors in the real economy on the economic crisis along with many other issues, through institutional relationships that have existed since the founding of the Organization. More recently, OECD outreach to and interaction with other NGOs has also expanded significantly. The umbrella NGO OECD Watch, which arose in the context of the abortive attempt by the OECD to shepherd the conclusion of a Multilateral Investment Agreement, which it abandoned in 1998, has pushed the OECD to engage in early and frequent consultations with civil society groups on a wide range of issues.

In the wake of the first phase of the current crisis, the Secretary-General issued the OECD Strategic Response to the Financial and Economic Crisis: Contributions to the Global Effort, which was “developed with the collective inputs of the OECD Council, the Committees and the Secretariat.” In his forward, he noted that as the OECD worked with others to overcome the crisis and get economies moving

46 Ibid., Art. 5.
50 See www.biac.org.
51 OECD, Strategic Response, op. cit., p. 7.
again, “We must also begin shaping the world economy of tomorrow – to make it stronger, cleaner and fairer” (p. 3). The two priority areas highlighted in the strategy are first, finance, competition and governance (including incentives, corporate governance, taxation, business environment and competition policy, consumer protection and education, regulatory management quality), and second, restoring sustainable long-term growth (keeping markets open, macro, fiscal and labour market policies for stability and resilience, ‘green’ and innovation-led recovery, development, balancing markets and policies and fostering exits from public ownership)\(^52\).

OECD “deliverables” in this context were described as actions (pledges, instruments) of Member States, policy recommendations and monitoring/surveillance, accompanied by a communication and dissemination strategy.\(^53\) It was decided to include a special chapter in the 2009 Employment Outlook devoted to how labour market and social policies can help counteract the rise in unemployment and worsening living conditions of low-income families, along with a report on effective ways to achieve policy reform in areas such as pensions, labour markets, etc.\(^54\) In the area of labour market policies, the Reassessed Jobs Strategy and Going for Growth is to continue to play a key role in strengthening the resilience to economic shocks.\(^55\) The OECD Strategic Response (2009) says it is “based on a cross-cutting and holistic view of the different policy areas and government actions involved in making markets work effectively.”\(^56\) The focus on markets alone inherently limits the range of vision, and would itself merit some rethinking from a broader perspective.

In its own estimation, “The OECD plays a key role supporting the G20 with analysis, data and policy recommendations.”\(^57\) It has set up a G20/G8 Coordination Unit. The scope of OECD action in relation to the G20 is very wide, and it has delivered key reports on growth, trade, investment tax and fossil fuel subsidies, ranging from agriculture to oil and gas, taxation, trade, a well as working on issues from education and inequality to employment and social policies, with an overview of gender differences in OECD countries.\(^58\) Also on offer are practical, interactive tools, such as those on calculating pensions and benefits and wages.\(^59\) The OECD is coordinating a two-year project, the International Collaborative Initiative on Trade and Employment, aimed at better understanding how trade interacts with employment, promotion of dialogue on these issues and development of policy-relevant conclusions. This is a joint undertaking of ten international organizations, including the ILO.

The Organisation has also dusted off some of its earlier products, to portray their renewed relevance in the context of the economic crisis. In relation to the social dimension, the OECD Guidelines for Multinational Enterprises were amended at the OECD Ministerial Meeting on 25 May 2011. They form part of the OECD Declaration on International Investment and MNEs. The updated MNE Guidelines (also non-binding) include new recommendations on human rights abuses and company responsibility for their supply chains. In addition, new processes for complaints and mediation were also put in place. In relation to labour standards, firms are to have appropriate due diligence processes in place. These include issues such as paying decent wages, combating bribe solicitation and extortion, and the promotion of sustainable consumption. While the due diligence approach has its shortcomings and critics, it does embed the idea of compliance with labour standards and respect for fundamental principles and rights at work – including

\[^52\] Ibid. “Exit from public ownership” used to be known as privatization, which became a lightning rod for some NGOs opposing it.

\[^53\] Ibid., p. 8.

\[^54\] Ibid., p. 22.

\[^55\] Ibid., p. 12.

\[^56\] OECD Strategic Response, op. cit., p. 8.


\[^58\] Gender Brief, 4 March 2010.

the elimination of discrimination - into mainstream business practices. If well used, this approach could serve as a prelude to the shift in attitudes towards tax evasion that occurred in the wake of OECD information exchange and regulatory efforts in that field. Alternatively, the critiques of the weakness of the MNE mechanisms will continue.

In relation to gender, the OECD has launched the Gender, Institutions and Development Database, governing 60 multidisciplinary indicators on gender discrimination. In addition, the OECD’s Horizontal Project in Gender Equality aims at strengthening gender equality in education, employment and entrepreneurship. It is to develop deeper knowledge about why barriers to equality persist, establish standard indicators to measure progress in closing gender gaps, collect more and better data in the area of entrepreneurship, and draw conclusions for policymakers. With inputs from a wide range of OECD directorates, the Gender Initiative is to produce a report on a benchmarking exercises by the end of 2012. Earlier, the organization conducted extensive research on work and family. The longer term impact of such initiatives will have on embedding gender into the wide range of OECD analysis remains to be seen.

In the OCED, stress tends to be placed more on good national policy than on coordinated international action. Generally, the OECD exercises normative influence more often than engaging in norm creation, at least in the formal sense. It serves as a forum for shaping agreed positions endorsed by its Members that often end up taking form in other international organizations. In the OECD, committees regularly bring together officials from the same functional agencies. These sometimes develop into epistemic communities – networks of professionals with recognized expertise and competence in particular domains and an authoritative claim to policy-relevant knowledge. Other intergovernmental organizations can set these up too, but not on the scale of the OECD. As of early 2005, it was bringing together approximately 40,000 government officials and experts each year. Considered “a high-powered research institution,” the OECD’s research occurs in virtually all fields of interest to governments. According to Salzman and Terracino, work on impacts of trade carried out earlier was done on a horizontal basis among directorates. This suggests an attempt at achieving coherence within the institution.

The restricted membership of the OECD is of course its weak point. Past criticism for lack of transparency has become more muted in light of more open practices in recent years. The OECD clearly learned from the MIA debacle in 1998. When it engaged in a revision of guidelines under the Multinationals Declaration in 2000, for instance, it posted draft texts electronically and invited two rounds of public comment, along with organizing various informal consultations. This greater openness will be an advantage in looking at how reflexive governance might be used by the OECD.

61 The Initiative presented an interim report to the OECD Ministerial Council Meeting in May 2011.
62 The results were captured in OECD, “Babies and Bosses: Balancing Work and Family Life” (OECD, Policy Brief, Paris, 2008).
64 Bonucci and Thouvenin, op. cit., p. 9.
66 From Salzman et al., p. 382.
68 Salzman et al., op cit., p. 388.
69 Salzman and Terracino, op. cit., p. 318.
70 Ibid.
71 See Salzman and Terracino, op. cit., p. 397.
72 It is of course not free from criticism, particularly by the NGO OECD Watch.
C. ILO

Like the OECD, the ILO arose out of the ashes of a world war, but almost two generations earlier. The mandate of the Organization, adopted as part of the Versailles Peace Treaty that ended World War I, has three interrelated objectives: social justice, the improvement of conditions of labour and world peace. 

Today, the ILO expresses its mandate in terms of promoting “Decent Work”. This has been described as entailing “opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity.” The idea is “based on the understanding that work is a source of personal dignity, family stability, peace in the community, democracies that deliver for people, and economic growth that expands opportunities for productive jobs and enterprise development.” It is now reflected in an international consensus that “productive employment and Decent Work are key elements to achieving a fair globalization, reducing poverty and achieving equitable, inclusive, and sustainable development.” These approaches have been endorsed and elaborated upon with the involvement of the three constituencies that comprise the ILO’s governance structure: governments and organizations of employers and of workers. The embedding of representatives of the real economy in its structure, in what is called tripartism, is the ILO’s dominant and unique feature.

In an operational sense, the ILO has used the concept to develop a Decent Work Agenda featuring four pillars, also known as strategic objectives: creating jobs, extending social protection, guaranteeing rights at work, and promoting social dialogue. Gender equality cross-cuts the different elements. In addition to organizing its secretariat along these lines through the use of the four Strategic Objectives of employment, rights at work, social protection and social dialogue, the Organization provides expertise to its constituents for the design and implementation of Decent Work Country Programmes. These define priorities and targets within national development frameworks and aim to tackle major Decent Work deficits through programmes that embrace each of the Strategic Objectives. The substantive goals are employment and social protection, underpinned by rights at work and promoted through the iterative process of discussion and policy formulation among representatives of government, employers and workers (social dialogue).

How does the ILO operate in practice? In addition to supporting the Decent Work Country Programmes, its means of operation are data collection, analysis and dissemination, research publications, policy advice, advocacy, training, adoption and supervision of international labour standards, tripartite meetings at the national, regional and international levels, and in-country project work that focuses on a particular issue such as child labour or occupational health and safety. Each year, the International Labour Conference brings together around 5000 delegates from government, employer and trade union circles from over 180 countries, plus representatives of international NGOs and other inter-governmental organizations. Despite many efforts by the Secretariat to increase participation by women, the share of women delegates in the annual conference varies between one-fifth and one-quarter of the total. In addition, there are many smaller conferences, workshops, seminars and training sessions involving ILO constituents organized throughout the year. For the ILO, however, estimating the number of persons involved in ILO networks is more difficult, because often the same individual will participate in national, regional and international level consultations. Practice varies by country as to whether such events are organized with the involvement of other Ministries and/or NGOs.

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73 Constitution of the International Labour Organisation, Preamble, Art. 1 and the annexed Declaration concerning the Aims and Purposes of the International Labour Organisation.
76 Ibid. The somewhat confusing reference to “employment and decent work” while considering employment as part of decent work may be explained by the ILO’s desire to build on already existing political engagements in UN and other documents relating to the more established term “employment.”
77 The Bureau for Gender Equality reports directly to the Director-General and was responsible for the report, Gender Equality at the Heart of Decent Work, op.cit.
Further, the ILO works to develop Decent Work-oriented approaches to economic and social policy in partnership with the principal institutions and actors of the multilateral system and the global economy. Most of its research work and publications feature individual authors from inside and beyond the Secretariat. The findings feed into institutional reports of the Director-General. Expert meetings and meetings of ILO constituents from particular economic sectors are convened on particular topics, but not nearly as frequently as in the OECD.

The crisis has also accelerated partnership outreach by the ILO, in particular to the IMF and the OECD. At a joint ILO-IMF Conference on the Challenges of Growth, Employment and Social Cohesion (Oslo, 13 Sept. 2010), the institutions agreed to work together on policy development in two areas: explore the concept of a social protection floor for people living in poverty and in vulnerable situations, within a framework of sustainable macroeconomic policies, and develop strategies and policies to promote employment-generating growth. Earlier, the ILO had engaged in joint research with the WTO on trade and employment. These initiatives are not dependent upon a formal cooperation agreement with the ILO, which is absent in the case of the IMF, the World Bank and the WTO.

In the context of the economic crisis, the ILO has taken new initiatives to highlight the social dimension of the crisis, especially in relation to decent jobs and social protection deficits. It has used its traditional means of operation – data/research/analysis, social dialogue and international labour standard setting and supervision -- to develop policy instruments that are receiving a more welcome hearing in the light of the crisis. Further, the crisis has only highlighted another of its messages: the need for greater policy coherence. It has been stressing this at least since the establishment of the World Commission on the Social Dimension of Globalization, which in its report to the ILO in 2004 delivered a series of recommendations on correcting global imbalances (see below).

This approach is reflected in the statement of the ILO Director-General to the G20 Employment and Labour Ministerial in September 2011: “Employment creation has to become a top macroeconomic priority.” Thus the ILO is aiming at having employment targets set alongside inflation targets, as proposed to the International Monetary and Financial Committee and Development Committee on 24 September 2011. On its own, the ILO Global Jobs Crisis Observatory created a knowledge sharing platform (informcrisis@ilo.org). It highlights the most relevant analytical and statistical information from a wide range of sources on the impact of the crisis on the world of work, and prepares country profiles on employment and policy responses of the G20 countries and some others. A series of working papers on macroeconomic policy and full and productive employment/decent work for all has shed light on the experiences of a number of countries. The data is sometimes but not always disaggregated on the basis of sex.

Equally stressed by the ILO are proposals for social protection contained in new study prepared for the ILO by the Social Protection Floor Advisory Group led by Michele Bachelet. This report shows how social protection has played a significant role during the crisis in some countries by protecting the poor and other vulnerable people, by helping to stabilize demand for goods and services, and by empowering people to seize economic opportunities. The proposed Social Protection Floor would entail access to essential social services and income security for all in relation to selected risks, a global social policy approach promoting integrated strategies for providing access to essential social services and income.

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79 See the Working Papers Series of the Employment Policy Department, ILO.
80 Former President of Chile and now head of UN Women. This is the second time in recent years that the ILO has used an outside Commission linked to the institution to assist it in finding new, deeper solutions to problems. Without touching nerves that would immediately block more direct reform initiatives, this device has moved the Organization closer to reflexivity.
security for all. Elements for a possible ILO Recommendation on the topic will be examined by delegates to the tripartite annual International Labour Conference in June 2012. The outcome of this discussion could yield the third major policy document adopted by the Conference since 2008, all influenced or indeed occasioned by the economic crisis.

The first of these, the 2008 ILO Declaration on Social Justice for a Fair Globalization, was under preparation before the crisis emerged. The shadow cast by the crisis, which bore out many of the concerns expressed by the World Commission on the Social Dimension of Globalization in its 2004 report, affected the content and tone of the 2008 Declaration. This Declaration restates the ILO’s mandate around the four strategic objectives contained in the Decent Work Agenda, affirms their inseparability, and strengthens the status of fundamental principles and rights at work in relation to trade liberalization. It stresses the need to place full and productive employment and decent work at the centre of economic and social policy, while promoting sustainable enterprises. It also introduced some procedural innovations in the ILO, urging it to “review and adapt its institutional practices to enhance governance and capacity building”.

However, the idea of having a peer review based on trade policy reviews as in the World Trade Organization or in the OECD Multinationals Declaration was watered down to a voluntary ad hoc and nationally based exercise in the Annex to the 2008 Declaration. Under the 2008 Declaration, the ILO is invited to promote “shared knowledge and understanding of the synergies between the strategic objectives through empirical analysis and tripartite discussion of concrete experiences … with a view to informing Members’ decision-making in relation to the opportunities and challenges of globalization.”

The Declaration also foresees developing new partnerships with non-state entities and economic actors, done in consultation with representative national and international organizations of workers and employers. These provisions suggest at least the potential for reflexive governance to occur.

The adoption of the Global Jobs Pact in 2009, through a Conference resolution, was a direct response to the economic and financial crisis. The Pact has been characterized by the ILO as its contribution to the UN and G20 leaders’ requests to the ILO, in cooperation with other organizations, “to assess the actions taken and those required in the future” in the field of employment, labour markets and protection of the most vulnerable.

The Pact, adopted unanimously, suggests 14 policy areas for action to mitigate the impact of the crisis and shape a productive and sustainable recovery. One of the elements of “a descent work response to the crisis” is one which “promotes gender equality” and standards that reduce gender inequality, narrows the gender pay gap, and highlights gender equality in the labour market in ILO action.

While global in the sense of promoting better policy coherence among governments and international organizations, the Pact is local in its adaptability to diverse national realities, needs and priorities. That is also the philosophy behind the ILO’s support for Decent Work Country Programmes elaborated by ILO constituents in the different Member States.

As part of its efforts to influence the policy agenda, the ILO has geared the majority of its most important recent institutional reports to the economic crisis. In the prophetically titled 2010 report, From one crisis

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81 For a description of the process that led to its adoption, see e.g. F. Maupain, “New Foundation or New Façade? The ILO and the 2008 Declaration on Social Justice for a Fair Globalization,” 20 European Journal of International Law, No.3 (2009) 823-852.
82 2008 Declaration, Paragraph II.A.
83 Ibid., Paragraph II.A (iii).
84 Ibid., Paragraph II.A (v).
86 Global Jobs Pact, Paras. I.7. II.9(7), III.12(3) and V.26.
to the next? the ILO and its affiliated International Institute of Labour Studies suggested a 3-pronged approach for getting out of the crisis: (1) strengthen job-centred policies, reducing the risk of long-term unemployment, measures to support vulnerable Groups, training that serves needs of recovery and employment-orientated social protection, (2) promote a closer link between wages and productivity gains, and 3) financial reform that allows savings to be channeled to more productive investments and the creation of more stable jobs. It warned that job losses combined with growing income inequalities are a threat to social cohesion.

The Global Report on Equality at Work 2011 sounded the alarm over a higher risk of discrimination against certain groups, such as migrant labour, in light of the global economic and social crisis. It recommended promotion of universal ratification of fundamental Conventions on equality of opportunity and equal pay, development and sharing of knowledge on the elimination of discrimination in equality of opportunity and the development of institutional capacity of ILO constituents to more effectively implement nondiscrimination, and strengthen international partnerships with major actors on equality. Such reports recall the utility of existing ILO Conventions and Recommendations as well as soft-law instruments such as the ILO Multilateral Framework on Labour Migration.

Political events have featured prominently in the ILO’s response to the crisis. The Working Party on the Social Dimension of Globalization, which brings all ILO Governing Body members together for free-flowing discussion with high profile outside speakers such as the heads of the IMF, World Bank, and UNDP, has been the venue for an exchange of ideas between them and the representatives of labour and employers, along with labour officials and diplomatic staff from government. High-level panels at International Labour Conference in 2010 explored concerns over unemployment and the impact of the sovereign debt crisis and recent moves to reduce deficits, impose austerity measures and take other steps towards fiscal consolidation. These too are occasions for appealing for make employment for women and men a macroeconomic objective of the same order as low inflation and deficit reduction.

The functions of the ILO relating to international labour standards have also come into play in the context of the economic crisis. The application of Conventions, which are treaties subject to ratification by member States, and Recommendations, which complement Conventions or stand on their own as non-binding advice, is subject to review by supervisory bodies and political dialogue, and complaint-type procedures are available in relation to ratified Conventions. The economic crisis is quite visible in relation to the ILO standards functions.

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89 These are the Equal Remuneration Convention, 1951 (No. 100) and the Elimination of Discrimination (Employment and Occupation) Convention, 1958 (No. 111). Both are fundamental Conventions of the ILO.
92 See e.g. the Global Policy Digests published by the Policy Integration Department as well as the speeches of the Director-General.
93 Traditionally, employer and worker members of the ILO Governing Body intervene through their respective spokespersons, who sometimes call upon individuals in their ranks to add statements.
94 Representations under art. 24 of the Constitution are based on allegations that a State has “failed to secure in any respect the effective observance within its jurisdiction of any Convention to which it is a party.” A complaint is based on allegations that another Member State or delegate to the International Labour Conference is not satisfied that a State “is securing the effective observance of any [ratified] Convention.”
For instance, the ILO Committee of Experts on the Application of Conventions and Recommendations, an independent body which monitors the implementation of these instruments by ILO Member States, referred to the economic crisis in 44 of its published comments examined by the International Labour Conference in 2011.95 Most often, the comments related to the freedom of association and/or collective bargaining, employment policy and labour inspection. For example, regarding Greece’s implementation of the Right to Organize and Collective Bargaining Convention, 1949 (No. 98), trade union organizations submitted comments challenging new legislation that they see as undermining provisions of that instrument.96 When the Committee on the Application of Standards at the June 2011 International Labour Conference discussed the case, it recalled the principle that restrictions on collective bargaining as part of a stabilization policy should be implemented only as an exceptional measure, over a reasonable period, and accompanied by adequate safeguards to protect workers’ living standards. It urged the Government to intensify efforts to engage in full and frank discussion with the social partners.97 It endorsed the idea of a high-level mission to Greece, as well as contacts with the EU and the IMF. The mission was undertaken in late September 2011. These efforts reflect the ILO’s conviction that well functioning social dialogue at the national policy-making level is an effective route to finding compromises and identifying solutions to problems; its absence is seen in the streets.

In addition to reviewing implementation of ratified Conventions, the Committee of Experts examines reports on the effect given to ILO instruments whether or not they are ratified.98 In its recent report on employment instruments, the Committee of Experts proposed “a new instrument … to fill the gap in the current framework, … establishing guiding principles and policies to deal with preventive crisis action and effective crisis response” in accordance with the objectives of the Declaration of Philadelphia, the Social Justice Declaration and the Global Jobs Pact.99 Alternatively, the Committee suggested consolidating existing instruments “to address the need for an integrated approach between macroeconomicomic and financial policies and employment and social policies,” and to commit Member States to the achievement of full, productive and freely chosen employment. Whether or not the ILO will be taking these ideas further remains to be seen. Embedded in this discussion are questions about the relationship of social protection to employment, and income generation in the informal economy.100 The ILO has thus been urged to “strengthen its ‘regulatory conversations’ with the widest possible range of groups.”101 The adoption of a Convention and a Recommendation on Decent Work for Domestic Workers in 2011 appears to be a step in this direction, but it did not signal any structural change for the institution.

96 Ibid., pp. 81-82.
100 There are calls for the voices of those who engage in work in circumstances of informality to be heard more loudly in ILO discussions. See e.g. J. Murray, “Taking Social Rights Seriously: Is there a Case for Institutional Reform of the ILO?” in C. Fenwick and T. Novitz, eds., Human Rights at Work (Oxford, Hart, 2010), pp. 359-382, at p. 374.
As part of its ongoing efforts to try to keep its body of international labour standards up to date, a general discussion on social security took place at the International Labour Conference in 2011. To make a long story short, the International Labour Conference in June 2012 will have before it the elements of a possible Recommendation on social protection floors. The idea is to have country-led extension of social security that would close coverage gaps, giving due regard to the workers in the informal economy. Considering that discussion of such situations was problematic within the ILO only a decade or so ago, learning that has included self-questioning has certainly taken place.

As Braithwaite and Drahos have suggested, the ILO, with its numerous field offices, is comparatively well-placed to engage with groups, ‘ideas entrepreneurs’, various ‘epistemic communities’… and local communities. In addition, training is offered by the International Training Centre of the ILO in Turin, Italy, and courses are given by the research-oriented International Institute of Labour Studies in Geneva (which has contributed significantly to the ILO response to the crisis, along with the ILO’s Policy Coherence Department). The question really is whether such institutions can move beyond conveyance of a set of long accepted ideas to foster more reflexive learning that in turn could imply deeper learning, new policy thinking with a reinforced gender dimension and perhaps ultimately for other types of institutional change.

D. Cooperation between the ILO and the OECD

On Oct. 6, 2011, the heads of the OECD, ILO, IMF and World Bank, together with German Chancellor Angela Merkel issued a joint communiqué in advance of the next G20 Summit. They affirmed, “Sound macroeconomic policies have to go hand in hand with endeavours to increase employment, drawing on the ILO’s Decent Work Agenda and on its Global Jobs Pact approach adopted at the ILO International Labour Conference of 2009. Stimulating productive investment in job-generating enterprises of the real economy is a priority. We welcome the outcomes of the most recent G20 Employment and Labour Ministers’ meeting, which we see as an important contribution to the creation of new jobs and the reinforcement of social protection.” They added, “As another lesson of the crisis, we are considering to expand our traditional concepts of growth, GDP, as the main indicator of economic development, could be complemented by including appropriate social, employment and environmental aspects, addressing the well-being of people in a more comprehensive manner….We welcome the report prepared by OECD in collaboration with WTO, ILO, IMF and World Bank on ‘measuring material wellbeing in a Globalized World’ and look forward to discussion on the paper prepared by the OECD in collaboration with the WTO and the ILO on fostering inclusive growth.”

Out of an earlier discussion between Merkel and heads of the ILO, IMF, OECD, WB and WTO, the OECD agreed to coordinate a project responding to the call for the development of a Global Charter. The first step has involved compilation of a joint inventory of economic and social instruments, in parallel to an initiative to promote a worldwide legal standard for sound and more ethical business behavior. It was prepared in 2009 in light of the 2008 G8 Hokkaido Toyako Summit, where the five organizations received a formal invitation to enhance their cooperation and improve coherence. Entitled “Global Charter?”, “Legal Standard,” it provides a preliminary list of a series of policy instruments. Alongside many OECD documents (the vast majority soft law) appear international labour Conventions and Recommendations on fundamental principles, governance issues, employment policy, labour market, multinationals and

105 „Federal Chancellor of Germany and leaders from five international organizations call for coordinated policy action to restore confidence and improve growth and employment prospects,“ available at www.ilo.org.
106 Ibid.
enterprise development, and social protection (including occupational health and safety). The current status of this project is unclear.

For the G20 Labour Ministerial held on 26 Sept. 2011, the Director-General of the ILO and the Secretary General of the OECD issued the following Joint Statement, based on background papers prepared by their respective Secretariats for the meeting: “The OECD and the ILO have worked together to bring objective analysis and advice to this Ministerial. … Our partnership is meant to ensure that employment and social protection are at the core of the G20 policy debate to lift output … to build better connections between employment and social policy measures and growth policies.” (An interesting aspect of this statement is its non reference to rights at work, to gender equality or to another major challenge of globalization, i.e. migration policy.)

Cooperation in response to G20 requests calls for internal adjustment of resources for both the ILO and the OECD. In response to one of these requests, the ILO, together with the OECD, developed “A G20 Training Strategy.” It features lessons learned through use of training and retraining in counties’ responses in the context of the crisis. In the ILO, taking up tasks requested by the G20 involves reorientation within a framework of the Programme and Budget which outlines results to be obtained over a two-year timeframe, and instructions given to the Director-General (and through him/her to the Secretariat) by the International Labour Conference and the ILO Governing Body. Within this framework, the secretariat has relative autonomy as to how to redistribute resources. In the OECD, the work programme is determined largely by a system of managing committees composed of Member States that govern Directorates, with use of groups, ad hoc groups and sometimes working parties. It involves a much more “hands on” oversight of OECD technical work that results in official publications, which require clearance by one or more committees.

Ever since the establishment of the predecessor organization of the OECD, the Organisation for European Economic Co-operation, cooperation has taken place between it and the ILO secretariat.107 The initial arrangement was done through an exchange of letters. Recently, their collaboration has become more formally anchored. After signature of the Agreement for Cooperation on the Measurement of Societal Progress (the Statistical Cooperation Agreement) on 28 Sept. 2009, a fuller Memorandum of Understanding was concluded by the Director-General of the ILO and Secretary-General of the OECD on 23 May 2011. Its preamble refers to “ensuring policy coherence as requested by inter alia the G8/G14 Social Summit in Rome and the G20 London and Pittsburgh Summits in 2009” and “assigning high priority to providing concrete responses to the impact of the financial and economic crisis, as well as joint work developed in the context of the G20, including through the ILO’s Global Jobs Pact and the OECD’s Strategic Response to the Financial and Economic Crisis and the Employment Outlook” and “recognizing the need to increase policy coherence among public international organizations and the need to increase the impact of their advice.” They have agreed to maintain and enhance their cooperation in a number of areas and ways. In particular, they identify contributions to the G20 and multilateral responses to financial, economic, employment and social crises, the long-term shift to a low-carbon economy, and development of data and indicators as proposed by the Stiglitz Commission on measurement of economic performance and social progress.

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107 The best known past instance of ILO and OECD cooperation arose in the context of two OECD studies focusing on trade and labour standards as the 20th century drew to a close. See OECD, Trade, Employment and Labour Standards: A Study of Core Workers’ Rights and Labour Standards (OECD, Paris, 1996), and OECD, International Trade and Core Labor Standards (OECD, Paris, 2000). The findings played a strong role in informing international debate on the issues. With a focus on core labour standards, the first study found no evidence that countries with low labour standards enjoyed better expert performance than high-standard countries. The second arrived at similar conclusions and broached the question of institutional mandates. Here, it reaffirmed the statement in the WTO Singapore Declaration of 1994, to the effect that the ILO is the competent body to establish and deal with internationally agreed core labour standards (Para. 4). Coming from the OECD, the studies were given greater credibility than they would have been if the ILO had produced them on its own.
Over the past decade, for the first time in their histories, both institutions have come to be led by directors who come from developing/emerging countries. The perspective they bring to their organizations has arguably been more development-oriented than their predecessors, and this creates the potential for a new type of conversation. It may also be a bridge for enhanced cooperation between the OECD and the ILO, which has far the stronger suit when it comes to developing country participation. Whether this opening to developing/emerging country concerns is translating in to reflexive governance or greater overall policy coherence is, as we will see, not so evident. What is already clear is that the institutions have strengthened their cooperation in the light of the financial/economic and employment crisis, in ways which exploit their complementarity.

4. What the experience tells us about reflexive and other methods of governance for greater policy coherence

The G20 has stated that “the scope of financial regulation has been largely broadened, and prudential regulation and supervision have been strengthened. There was also great progress in policy coordination thanks to the creation of the framework for a strong, sustainable, and balanced growth designed to enhance macroeconomic cooperation among the G20 members and therefore to mitigate the impact of the crisis. Finally, global governance has dramatically improved to better taken into consideration the role and the needs of emerging (and) developing countries…” In fact, much remains to be done on all of these fronts. Do G20 calls for greater policy coherence have a more promising outlook?

In the Cannes Summit Final Document, the G20 leaders called on international organizations to intensify their coordination and make it more effective. Specifically, they encouraged the ILO, OECD, World Bank, WTO and the IMF “to enhance their dialogue and cooperation.” This picked up on recommendations made by the G20 Labour and Employment Ministers in September 2011. These Ministers had appealed to “the ILO as well as the OECD, as appropriate, and with the participation of other relevant organizations such as the IMF:

- To further analyse the medium term outlook for global employment levels and assess the implications for policy responses,
- To contribute to a broader understanding of the interactions between employment generation, economic growth and social protection,
- To support countries on request to improve identification of the most vulnerable groups, the difficulties they are facing and the means to be used to help them integrate more rapidly into quality jobs,
- To establish a knowledge-sharing platform to promote skills development in line with the G20 Training Strategy.

Acting on the suggestion of the Labour and Employment Ministers, the G20 set up a time-bound Task Force on Employment as a forum to exchange experiences, best practices and policy responses to the employment-related challenges faced by G20 countries. Further, those Ministers had recommended that “the ILO and IMF, in collaboration with other international organizations, to strengthen their cooperation in order to help Governments, where necessary, to define the necessary fiscal policies to play their role

108 The Secretary-General of the OECD (Angel Gurría) is from Mexico, and the Director-General of the ILO (Juan Somavia) is from Chile. Gurría was elected to a second five-year mandate that began June 1, 2011. Somavia, who has served as Director-General of the ILO since 1999, has announced that he will leave office on 30 September 2012, mid-way through his third term.


110 Cannes Summit Final Declaration, 4 Nov. 2011, para. 6.


contributing to the progressive implementation of social protection floors according to national needs and circumstances.”

At Cannes, the G20 leaders also requested the IMF, OECD, ILO and the World Bank to report to the Finance Ministers on a global employment outlook and on how the economic reform agenda under the G20 Framework will contribute to job creation. The question of who is reporting to whom is in itself quite indicative. So is the absence of directions to include an explicit gender dimension in this work.

For their part, the B20/L20 have observed that the crisis has “created space for discussing labour market and social protection challenges in a comparative perspective, within the G20.” In terms of policy coherence, the B20/L20 statement recalled the contribution to be made by the social partners, both in the context of designing social protection floors and of the role foreseen for them by the ILO Constitution. The B20/L20 opening up suggests a potential for some reflexive governance of the G20 itself, moving beyond purely inter-governmental interaction.

In relation to enhancing links among international organizations through consultation, coordination of research, analysis and cooperation activities, the G20 Labour and Employment Ministers had recommended in September 2011 that “the multilateral organizations with an employment and social mandate be consulted when appropriate to assess the social impact of economic and financial policies advocated by other international organizations.” This last statement could be a double-edged sword for the ILO. It can be read as essentially downgrading the ILO’s role from one of determining the acceptability of economic and fiscal policy to one of being consulted alongside other organizations. In the Declaration of Philadelphia, which forms part of the ILO Constitution, it is “the responsibility” of the ILO to examine, consider and judge all international economic and financial policies in the light of the fundamental objective of the Organization (which is social justice).

These policies are to be accepted “only in so far as they may be held to promote and not to hinder the achievement of this fundamental objective.” In discharging these tasks, the Organization may include “in its decisions and recommendations any provision which it considers appropriate.”

However, the stage for this partial recoil was arguably set by the ILO itself when it adopted the 2008 Declaration on Social Justice for a Fair Globalization. While in its preamble the 2008 Declaration recalls the relevance of the ILO mandate contained in the ILO Constitution, including the Declaration of Philadelphia, the body of the more recent text speaks of “inviting” other international and regional organizations with mandates in closely related fields to promote decent work. It continues, “As trade and financial market policy both affect employment, it is the ILO’s role to evaluate those employment effects to achieve its aim of placing employment at the heart of economic policies.” The scope of the inquiry is thus narrower than the broader aspects of social justice. Legally speaking, this Declaration is a Conference resolution that has not been incorporated into the Constitution, but politically it is promoted as a means to make the Declaration of Philadelphia operational through the Decent Work Agenda. That being so, the full scope of the ILO’s constitutional mandate should be exercised, as the Decent Work Agenda would imply.

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113 Ibid., para. 17.
114 Ibid.
115 B20/L20 Joint Statement to the Cannes Summit.
117 Declaration of Philadelphia, Para. II(c),(d) and (e) read together with Para. I setting out the fundamental principles upon which the organization is based.
118 Ibid., Para. II(c).
119 ibid., Para. II(e).
120 ILO Declaration on Social Justice for a Fair Globalization, Para. II.C.
On the other hand, the 2008 Declaration expands upon the constitutional provisions that foresee cooperation with other international organizations. Under the 2008 Declaration, the ILO is invited to promote “shared knowledge and understanding of the synergies between the strategic objectives through empirical analysis and tripartite discussion of concrete experiences … with a view to informing Members’ decision-making in relation to the opportunities and challenges of globalization.” This reflects a more modern and realistic approach to influence through networks and reflexive governance techniques than purely through formal arrangements with international organizations, and could enhance policy coherence. Both the ILO and the OECD stress the importance of evidence-based policies, internal and external knowledge sharing, and policy coherence across a broad range of issues and institutions.

An important step towards policy coherence would involve measurement, with disaggregation by sex where appropriate. The suggestion made in the meeting of international organizations with Chancellor Merkel, to expand the traditional concepts of growth to include “appropriate social employment and environmental aspects,” would go a fair way towards policy coherence. Simply putting these aspects on the same footing would create pressure for accomplishing goals in these areas. Moreover, the considerable data resources that exist within the ILO and the OECD, among other organizations, could be more effectively marshaled for purposes of policy coherence. Under the 2008 Declaration, states may consider “the establishment of appropriate indicators or statistics if necessary with the assistance of the ILO, to monitor and evaluate the progress made toward achieving Decent Work. There could also be opportunities to draw upon the expertise of other organizations, such as done in work undertaken jointly between the ILO, OECD, IMF, World Bank and WTO. These should build on progress already made in relation to gender statistics.

The 2008 Declaration also foresees developing new partnerships with non-state entities and economic actors, done in consultation with representative national and international organizations of workers and employers. These provisions suggest the potential for reflexive governance to occur at various levels.

One of the key recommendations of the World Commission on the Social Dimension of Globalization was to create a new tool “to upgrade the quality of policy coordination between international organizations on issues in which the implementation of their mandates intersects and their policies interact. This would correct the imbalance between economic and social policies, eliminate the harm inflicted by policies working at cross-purposes, and harness the synergy from complementary policies.” The Commissioners urged relevant organizations to undertake “Policy Coherence Initiatives” among various agencies in the multilateral system, with the best method of joint work to be defined in each case. At the same time, they called for Executive Heads of the relevant UN bodies, the World Bank, the IMF, the WTO and the ILO to address the question of global growth, investment and employment creation through a “Policy Coherence Initiative.” A few of these events have been organized, but as discrete occasions rather than as part of a comprehensive process such as the Trade Policy Reviews in the WTO or the Universal Periodic Review in the UN Human Rights Council.

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121 Art. 12(1) of the ILO Constitution provides for cooperation with other general international organizations and those having specialized responsibilities in related fields.
122 Ibid., Paragraph II.A (iii).
123 See text accompanying note 100 above.
124 In addition to labour statistics, databases on conditions of work, employment protection, and legal indicators for decent work can be mentioned among many other ILO and OECD sources. See e.g. R. Anker and P. Annycke, Reporting regularly on decent work in the world: Options for the ILO (ILO, Geneva, Policy Integration Department Working Paper No. 94, Jan. 2010).
125 2008 Declaration, Para. II.B.ii).
126 Ibid., Paragraph II.A (v).
128 Ibid., p. 135.
The idea of Policy Coherence Initiatives was accompanied by a proposal for Policy Development Dialogues that would bring together all actors concerned (administrators, politicians, parliamentarians, business, labour, civil society and other groups under-represented in formal governance structures) and by a Globalization Policy Forum to be established among interested international organizations. The role of the Forum would have been “a collective effort of the multilateral system to create a platform for multi-stakeholder dialogues and to build public support for proposals emerging from them …. It would tap the knowledge, resources and perspectives of all participating organizations in monitoring trends on the social impact of globalization and analyzing key policy issues.”

Although there has been greater cooperation between the ILO and each of these institutions, early resistance was encountered from the international financial institutions, in particular the World Bank, and there was some hesitancy among employer circles at pursuing these more ambitious ideas.

Now it is the OECD that has proposed to take the lead in creating an Observatory for Policy Coherence to improve consultations with the ILO and many other organizations and to promote the exchange of information. Its hope is that putting an end to “the era of fragmented global governance” will “produce a more coherent multilateral architecture for the benefit of a strong, cleaner and more inclusive world.” (This still remains a proposal even within the OECD.) Since “the use of mechanisms of learning and soft coordination rather than top-down controls over Member States” is a feature of the OECD that has won praise, the chances to move forward with the idea may be more promising than they were in the ILO. However, it will face the same traditional reflexes, displayed as well by recent developments in the G20, to separate finance/economy ministers and labour/employment ministers in ways that their thinking goes along perhaps parallel but not necessarily converging tracks.

The Policy Coherence Observatory idea could offer at least a partial reply to this, and its design could be tested against a gendered reflexive governance framework. This would entail “highlighting the blind spots and limitations in the light of alternative theories available.” It would help the actors within a domain learn not only about policy options, but also about their own interests and preferences. To paraphrase the Global Employment Agenda, this would need to incorporate gender from the perspectives of deliberative process, content and evaluation. As an iterative process, it would enable revisiting outcomes and then reformulating policies, drawing on lessons from the Open Method of Coordination in relation to European social policy.

Testing of policy could be across five dimensions, each of which uses a gender lens from the outset: data and measurement, surveillance /benchmarking, integrative socio-economic analysis, standard-setting (where necessary) and supervision, and translation of findings into policy advice. Identifying whether a particular issue would be best addressed through reflexive governance, open coordination (both when issues are complex and not well understood) or by adaptive governance or subsidiarity (where they are understood) could be aided by the matrix on governance methods (see Table 1 above). Embedding a gender lens in this inquiry would create a further push towards greater policy coherence and more useful policies.

Could the proposed Policy Coherence Observatory result in, as reflexive governance may offer, a “cognitive reframing” of the gendered questions of job creation, regulation, social protection and

129 Ibid., p. 136-137.
130 Remarks by Angel Gurría, Secretary-General, OECD to the Meeting of Chancellor Merkel with the Heads of International Organizations, Berlin, 28 April 2010, p. 5.
133 Lenoble and Maesschalck, citing Scott, in De Schutter and Lenoble, op. cit., p. 6.
134 The term is from E. Brousseau and J.-M. Glachant, in DeSchutter and Lenoble, op. cit., p. 40.
collective action? If the OECD does end up taking the lead on this, it should itself learn from similar ventures. Often the first challenge to begin with is achieving policy coherence across a single institution. Here experiences with gender mainstreaming in various organizations could be instructive, with information from UN Women and other sources, such as the ILO’s experience in developing gender audits within the institution. The UNDP has undertaken a major knowledge sharing effort, and the Millennium Development Goals have involved an extensive cross-sectoral and cross-agency monitoring component. Within the UN system, experience with the “Delivering as One” approach offers some useful lessons. In addition, the Chief Executive Board gave the ILO the lead in designing a Toolkit for Decent Work, to assist the various UN agencies to benchmark themselves against different aspects of the Decent Work Agenda.

The ILO and the OECD are among a growing number of institutions to state that new thinking is needed. The ILO Director-General has put it this way: “The crisis has prompted major policy rethinking everywhere. This is welcome, necessary and overdue. The G20 leaders’ statement invites us to reflect more broadly on how to achieve their determination not only to restore growth but to lay the foundation for a fair and sustainable world economy.” Yet in terms of reflexive learning within its own field, the ILO is not sufficiently exploiting its deep knowledge in the area of social dialogue. The Secretary-General of the OECD has called for greater questioning and some self-examination. For these affirmations to go beyond rhetoric to achieve greater policy coherence will require a deeper examination of actors both internal and external to these institutions.

Speaking of the failure of both the Welfare State in the 1970s/1980s and more recently the neo-liberal State, de Schutter and Lenoble assert, “They failed not simply because they were ill-adapted to a dynamic reality: they failed because their representation of what adaptation means was deeply inadequate.” Multilateral institutions could benefit from taking a closer look at gendered reflexive governance and the possible implications it may hold in the context of overcoming the economic crisis and avoiding its repetition. The G20 leaders’ exhortation for greater coordination and cooperation among international organizations will not be sufficient to achieve policy coherence that fully incorporates a gender-sensitive social dimension of globalization. Without greater resolve and new approaches, the social dimension of the economic crisis will continue to take a back seat to financial interests that perpetuate inequality.

135 For instance, a shift in focus from programming and operations to policy levers offers promise. See G. Köhler, The Challenges of Delivery as One: Overcoming Fragmentation and Moving Towards Policy Coherence (ILO, Policy Integration Department, Working Paper No. 100, 2007).
138 Some of the OECD “deliverables” in relation to G20 requests invite iteration with other disciplines and policy areas. For instance, an unclassified document from the Economics Department of the OECD on surveillance by international institutions does not mention monitoring of employment or social protection, sticking solely to financial and monetary issues. The same could be said of ILO documents on social protection, which will call for enhanced economic analysis when it comes to implementation of some of the ideas.
139 DeSchutter and Noble, Introduction, op. cit., p. xv.