

## **The Social Dimension of Technological Development: WSIS and the International Labour Organization**

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We live in a world of deep-seated inequalities. Two in five people live in poverty today, struggling to survive on less than \$2 a day. According to ILO estimates, close to 185 million people are without a job.<sup>1</sup> A further 550 million work in poverty.<sup>2</sup> Including their families and dependants, some 2.8 billion people lack the standard of living that is decent, dignified and human. The figures become even more tragic in the face of the unprecedented amount of wealth created in the world economy over the past decades. Globalization is evolving in such a way that what is added to the wealth of the world does not reach those who need it most, but enhances the good fortune of the already wealthy.

Why am I citing these figures and raising the issue of inequality, joblessness and poverty? Simply to remind ourselves that the ultimate goal of any endeavor such as the World Summit on the Information Society (WSIS) ought to be the elimination of inequalities and eradication of poverty. Information and communication technologies (ICTs) are only a means to this end. Unless we establish a firm link between ICTs and development, we are doomed to fail in our commitment to building “a people-centred, inclusive and development-oriented Information Society” that would contribute to the attainment of the Millennium Development Goals (MDGs), as stated in the declaration that marked the end of the first phase of the WSIS in Geneva.

In my contribution to this volume, I would like to argue that the missing link between ICTs and development is indeed the missing link between ICTs and decent work. Eradication of poverty in a sustainable manner requires creating decent work opportunities for all. As I

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<sup>1</sup> ILO (2005), Global Employment Trends Brief 2004, Geneva.

<sup>2</sup> ILO (2004), World Employment Report 2004-05: Employment, Productivity and Poverty Reduction, Geneva.

stated in my report “Working out of poverty”<sup>3</sup>, work is the best route out of poverty and, by extension, identifying the interrelationships between ICTs and decent work would be the main contribution of the International Labour Organization (ILO) to a successful outcome of the WSIS. Building this link underscores the importance of the social, as well as economic, dimension of technological development, which is encapsulated in the relationship between ICTs and the world of work.

The divide between the rich and the poor conceals many facets of disparity – economic, social and political; structural and infrastructural; local, national, regional and global. The digital divide is but one of the various dimensions of inequality, the rectification of which was indeed the driving force behind the WSIS. However, it should be viewed in the broader context of widening socio-economic gaps. The interlinkages between ICTs, physical and social infrastructure, productivity, economic growth and competitiveness as well as the scale and quality of employment are crucial to convert the digital exclusion into economic and social inclusion.

ICTs are therefore deeply embedded in not only economic development but also social development. They touch upon every area of our lives. As a revolutionary new set of technologies, ICTs are unique in many ways. Owing to their generic nature, ICTs have affected not only every single branch of each industry but also every service in the economy. Earlier revolutionary technologies such as electrification or mechanization were also pervasive in that sense, but the pervasiveness of ICTs is unique in affecting every firm and organization as well as every function within them. Most research, development and design work, much market research, various routine administrative and accounting activities, and many production processes have become dependent on the use of these general purpose technologies.

The international context within which this new set of technologies was born and has been growing also reinforces their pervasiveness. Several interrelated trends in the world economy in the past decades have impacted upon, and have been influenced by, the diffusion of ICTs. Globalization of economic activities, tertiarization (increasing weight of services in world output) and the increasing importance of knowledge in global production processes are the most notable of these trends. Together, they not only enabled the rapid dissemination of ICTs, but also contributed, via demand effects, to further advances such as the convergence between telecommunication and computer technology, dramatic decline in the price of information processing and rapid growth in international electronic networking.

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<sup>3</sup> ILO (2003), Working out of Poverty, Report of the Director General to the 91<sup>st</sup> session of the International Labour Conference, Geneva.

The recent report of the World Commission on the Social Dimension of Globalization entitled “A Fair Globalization: Creating Opportunities for All” also identified ICTs as one of the main drivers of globalization through facilitating trade, investment and capital flows across national borders. The increasingly footloose nature of international production, which is leading to the emergence of global production systems whereby different components of a production process are undertaken at different locations across the globe, is also to a large extent enabled by ICTs.

ICTs are not only enablers of globalization but also transformers of it. The digital revolution enabled by the rapid advance of these technologies is affecting every aspect of the production process, thereby transforming the economic structure and social dynamics in every industry. This is such a revolutionary set of technologies that they require reorganization of work and reskilling of workers to reap full benefits. ICTs boost efficiency and productivity as long as they are accompanied with the right organizational structures, the right skills for effective use and the right social learning processes.

ICTs set in motion a process of “creative destruction”. They make jobs in certain production segments, industries and locations redundant, but create more productive ones in others. There are serious social adjustment costs involved in the changing fabric of job distribution as a result of such restructuring. A strategy for effective ICT implementation has to involve accommodating institutional and industrial structures as well as sound industrial relations in order to have a positive impact on competitiveness, growth and decent employment. Institutional preparedness, especially of the labour market, is crucial. Organization and voice, social dialogue, fundamental principles and rights at work, as well as social protection, such as active labour market policies, are prime components of such preparedness.

Therefore, within the framework of ongoing structural change in the global economy, the dynamics of technology, growth and employment are in perpetual interplay. ICTs, in fostering enterprise development, productivity, economic growth, trade and competitiveness, offer a strategic opportunity for policy development that would touch upon all these spheres. We need, however, to establish clear interlinkages between integrated policies in these fields and poverty reduction in order to make headway in reaching the MDGs and to attain the goal of a fair globalization that creates opportunities for all.

The report of the World Commission highlights decent work for all as the main channel out of poverty. A fair globalization, the report argues, is possible if and when we are able to offer a fair chance at a decent job to all. In order to mobilize ICT for development, we need to establish the links between these technologies and decent work. An integrated policy

approach to ICT is critical to the achievement of the goals set in the Millennium Declaration, including its objective of an inclusive globalization.<sup>4</sup>

I would therefore like to call for a stronger emphasis on issues related to the world of work as well as on the social dimension of ICT development and globalization during the second phase of the WSIS and its follow-up. The ILO with its unique tripartite structure has plenty to contribute to making WSIS more relevant to the wider development agenda. Our constituents are concerned over the inadequate consideration given to decent work in the WSIS proceedings so far, and I am their voice in expressing the need for a paradigm shift in the treatment of ICTs from mere technologies into socially embedded development tools.

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<sup>4</sup> Paragraph 5 of the Millennium Declaration.