

GLOBALISATION, EU ENLARGEMENT AND NEW MIGRATORY LANDSCAPES: THE CHALLENGE OF INFORMAL ECONOMY AND CONTINGENCIES FOR «DECENT WORK»



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ABSTRACT: The article addresses the on-going changes in welfare, labour market and migration regimes in conjunction to the globalization, EU enlargement eastwards and the dominance of a neo-liberal vision. It highlights the connection between these changes and the impacts of neo-liberal policies in post-socialist countries with rising unemployment, de-industrialization, informal economy and new migration patterns. It also discusses institutional responses at different levels of governance, primarily on the global and EU levels, to the phenomena of the informal economy, new forms of legal and clandestine immigration and employment. Against this setting, the article traces the development of the social dimension of globalization and the articulation of an inclusive, human rights-based policy approach to migration management and the informal economy with a focus on the International Labour Organization (ILO)'s reformulation of social justice in terms of «decent work» for all workers, even those working in the informal economy. It is argued that the inclusion of decent work parameters and a social dimension of globalization into the project of EU enlargement and changing EU migration regime is contingent on both its translation into national policy contexts and the limitations given by EU dominant states' unconditioned devotion to WTO negotiations and global competitiveness, that cautiously ponder inclusion of social conditions only inasmuch they facilitate a deterrence of economic protectionism.

KEYWORDS: Migration patterns, neoliberal policies, informal economy, welfare, globalization.

RESUMEN: El artículo aborda los cambios en curso en materia de bienestar, mercado de trabajo y los regímenes de la migración en relación a la globalización, la ampliación de la UE hacia el Este y el predominio de una visión neoliberal. Pone en relieve la conexión entre estos cambios y los impactos de las políticas neoliberales en los países post-socialistas con el aumento del desempleo, de la industrialización, la economía informal y los nuevos patrones de migración. También se analizan las respuestas institucionales a distintos niveles de gobierno, principalmente en el mundial y el de la UE, a los fenómenos de la economía informal, las nuevas formas de la inmigración legal y clandestina y el empleo. En este contexto, el artículo traza el desarrollo de la dimensión social de la globalización y la articulación de un enfoque inclusivo y política de derechos humanos basado en la gestión de la migración y la economía informal con un enfoque en la Organización Internacional del Trabajo (OIT); de la reformulación la justicia social en términos de «trabajo decente» para todos los trabajadores, incluso los que trabajan en la economía informal. Se argumenta que la inclusión de parámetros de trabajo decente, la dimensión social de la globalización en el proyecto de ampliación de la UE y el régimen de cambio de migración de la UE depende, tanto de su traducción en los contextos políticos nacionales y de las limitaciones establecidas por la devoción de los Estados de la UE, dominante incondicional a la OMC. También están las negociaciones y la competitividad global, que ponderan cuidadosamente la inclusión de las condiciones sociales sólo en la medida en que facilitan una disuasión del proteccionismo económico.

PALABRAS CLAVE: Patrones migratorios, política neoliberal, economía informal, bienestar, globalización.

Following the breakdown of the Soviet Union and the transitions from a socialist to a market economy across the former communist world, we have witnessed an acceleration of globalising trends and their streamlining into the formation of a global production system as well as regional and national configurations of a global political economy. The policies of financial deregulation, trade liberalisation, state retrenchment and regional market integration, informed by the neo-liberal vision of a global *laissez-faire* economy, individualism and the Anglo-American business model, have instigated global industrial restructuring and internationalisation of economic activities. The related institutional change and revolutionary innovations in transport, communication and information technologies enabled not only a shift from a Fordist to a post-Fordist organisation of production, but also a shift from national to transnational corporate strategies that promote competitiveness, efficiency, productivity and flexible cost-cutting practices.

The most disturbing corollary of the global economic restructuring has been a growing structural unemployment, coupled with rising social inequalities within and between countries, as well as entailing new patterns of economic and social exclusions. Yet, given the stubborn persistence of the neo-liberal economic preface, policy makers' rejoinder to these predicaments still entails further market liberalisation towards the excessive flexibilisation of labour markets and causalisation of work. This seemingly perpetuating dynamics have also generated various informal individual survival strategies and enterprise responses, which in the last resort depend on ever cheaper, precarious, usually undocumented migrant labour. In conjunction to globalisation, EU enlargement eastwards has reinforced these trends of informalisation and new forms of regular and irregular transnational migration towards more developed countries and sectors that are dependent on a more adjustable workforce.

The rise of unemployment, migration and an informal economy have certainly incapacitated national economic policies, challenged the established welfare, labour and migration regimes in advanced economies and fomented the search for post-national solutions. The most disquieting responses to these problems have been the growth of populism, fundamentalism, terrorism and transnational criminal networks –all related to the phenomenon of migration, its perception, experiences and venues. We have seen how migration has become one of the focal political issues in the EU as well as in the USA, both as a social problem of «multiculturalism», i.e. integration of legal migrants, and as economic problems of clandestine migrants' informal employment jeopardising the existing premise of regular employment.

This essay addresses new configurations of migration and practices of informal employment brought about by the globalisation and EU enlargement east-



wards and the influence of these processes on the on-going transformation of European welfare and migration regimes as well as labour market institutions. The main objective is to discuss the institutional responses to the phenomena of the informal economy, new forms of legal and clandestine immigration and employment on different levels of governance, primarily global and EU approaches. The essay is divided into four sections. The first section charts, only in brief, ideas, dynamics and forces behind the processes of globalisation *cum* EU enlargement in a historical perspective, with an eye to regional configurations of political economies and the escalation of poverty, social and regional inequalities, migration and informal economy. A special consideration is given to the processes of post-socialist transformations and Europeanisation of the countries of Central and Eastern Europe, concomitant socio-economic consequences and new migration pressures. The second part describes the socio-economic effects of globalisation and migration pressures in the European context and the EU member states' national and transnational responses to these challenges, especially the manner in which the issues of global competitiveness, mobility, citizenship and workers' rights are being framed within the EU agenda. It addresses the recent EU enlargement eastwards, new European migration patterns and their challenge to national labour market, welfare and migratory regimes in the advanced EU economies, including the ideas of a European social model and global social justice. The third section traces the development of a social dimension of globalisation and addresses the articulation of an inclusive, human rights based policy approach to migration management and the informal economy with a focus on the ILO's reformulation of social justice in terms of «decent work» for all workers, even those working in the informal economy. The final, concluding section discusses the possibilities of, and obstacles to, the inclusion of decent work parameters and a social dimension of globalisation into the project of EU enlargement and changing EU migration regime.

The analytical endeavour to capture this complex dynamics and the ensuing discussion are related to ongoing debates concerning the economic constraints of globalisation, the role of ideas and the capacity of «epistemic communities» to shape national and transnational social policy agenda in terms of greater distributive justice (Deacon, 2005). In this connection, a broader institutional approach, which combines historical, organisational and discursive institutional analysis, has been utilised as a frame of reference and the issue of the role of ideas in the transformation of institutional arrangements has been raised (Campbell and Pedersen, 2001). By the same token, the alternative ideas that emphasise the prominent role for social policy in globalisation and the contingencies for their implementation are discussed within the global economic trajectory and changing institutional frameworks on both the EU-and national-levels.



Globalisation, Informal Economy and New Migratory Landscapes

The last three decades have seen a most powerful states and business led further-ance of global economic liberalisation. The design of a transnational institutional architecture and the redesign of national institutional frameworks, aimed to enable free movement of capital and free trade, have been heralded by the preceding ideological shift towards neo-liberalism that followed the 1970s economic crisis in advanced economies. It is possible to trace an uneven, yet progressive, global extension of neo-liberalism and a related structuration of a global capitalist system of production in three reinforcing processes:

- The 1980s «shift to the Right» in the USA and Great Britain (Reaganomics and Thatcherism), its diffusion to other OECD countries and the imposition of the neo-liberal aid regime, the so-called Washington Consensus, in the indebted developing countries, especially in Latin America;
- The 1990s complex configuration of post-Cold-War Europe following the 1989 breakdown of socialism and post-communist transitions and their interplay with the processes of Europeanisation;
- The turn of the Millennium bringing forth the rejuvenated conservative United States' and the enlarged EU's commitment to the institutionalisation of global economic regime as well as related processes of socio-economic transformation in advanced economies.

These interrelated and reinforcing processes –reflecting the neo-liberal «mapping» of new global «landscapes of capital» (Goldman *et al.*, 1998/2003)– have affected both developing and advanced economies across the globe, yet in different ways and in different times. However, regardless of different regional outcomes, the configuration of a global political economy has been marked by two common phenomena: growing informalisation of the economy and increasing migration. Both are seen as the effect of rising economic inequalities and socio-economic polarisation. Equally, they shape the wider political and ideological struggles over remoulding of global, regional and national «social systems of production».¹

THE RISE OF NEO-LIBERALISM AND THE INTERNATIONAL «SHIFT TO THE RIGHT» IN THE 1980s

The main impetus of the on-going economic globalisation was and seems still to be the neo-liberal policy response to the economic crisis of the 1970s in advanced economies and the impact of the «shift to the Right» on the reform of the Bret-

¹ The social system of production is understood as the business system and related industrial organisation in their interplay with a wider social configuration of institutional frameworks, including social norms and values (Hollingsworth 2002: 240)



ton Woods regime and development policy. As is known, neo-liberalism is related to a set of ideas comprising of Milton Friedman's monetarism, Friedrich Hayek's conservative economic liberalism and different schools of political economy that celebrate self-interest, market forces and share dislike of state intervention (Waligorski, 1990). The related supply-side economic policy measures that focus on tax and welfare cuts were justified and shaped in line with the explanation of the economic crisis in terms of the «profit squeeze» as caused by high wage bills and high prices of raw materials. The policy responses involved a dual approach aimed at cutting both domestic and international production costs.

Concerning domestic policy choices, in the course of the 1980s US and British economic policy makers denounced Keynesianism and embraced monetarism, macroeconomic stabilisation, deregulation, state retrenchment, privatisation and confrontation with trade unions, while promoting a creation of flexible labour markets and the policies of «wage squeeze» (Gordon, 1996; Peterson, 1994). According to Henk Overbeek (2003b: 1-2) «monetarism restored unemployment to its earlier role of regulatory mechanism in the management of the economy», while it at the same time created rising unemployment and a downward pressure on wages. As a result, the ensuing industrial restructuring did not only involve the shift from Fordist to post-Fordist production systems but also rapid de-industrialisation, a huge fall in industrial employment and a deconstruction of the welfare state (Overbeek, 2003a: 26). Drawing on the «British experiment» Guy Standing (1989: 286-291) shows that the implementation of the neo-liberal policy package resulted in increasing inequality, rocketing unemployment reaching over three million in 1987 together with rising flexibilisation, stratification and informalisation of labour force. Similarly, Saskia Sassen-Koob (1989) identifies the new socio-economic and geographical patterns of post-industrial restructuring in the 1980s in the USA. She outlines the trends, causes and socio-economic effects of economic polarisation and increasing informalisation of economic activities in general and in the service sector in particular, where rocketing salaries of financial and IT specialists generated demand for domestic services.

Clearly, in the context of increased international competition from low wage countries, informalisation has proved to be structurally shaped by rising differences in profit-making possibilities and income inequalities within and between various sectors, as well as by the generation of the demand for cheap goods and services both in the formal sector and within poorer, mostly immigrant communities in US metropolises (Sassen, 1998; Stepick, 1989). Numerous small enterprises and distressed middle-size firms in construction, textiles, furniture, electronics, footwear, hotels, restaurants and domestic services survived and even thrived by relying on informal production and distribution of goods and services. This, however, entailed gender and ethnic segmentation of the labour market and a deterioration of working conditions and employment relations.



These and related studies on the generation of informal economy across different countries at different stages of development brought an innovative structuralist approach to the conceptualisation of the informal economy (Castells and Portes, 1989) that challenged both the conventional dualist and the auspicious legalist understanding of the «informal sector» (Cf. Chen *et al.*, 2004). The former, i.e. the rigid dualist conception, developed by the ILO experts in the 1970s, ascribes the incidence of the negligible and secluded informal sector to less developed traditional economies and to survival strategies of low-skilled labour force in urban contexts –expected to ebb with economic modernisation. The latter, legalist approach, that was put forth by Hernando de Soto (1989), attributed the growth of informal economy to rational responses to the high costs of regularisation and innovative entrepreneurial activities, an explanation that neo-liberals have enthusiastically used in support of the policies of deregulation at large and the promotion of private property rights in developing countries.

From the structuralist perspective the resurgence against excessive state regulation, welfare state and organisational power of labour in advanced economies are just one of the causes of the informal economy understood as «the unregulated production of otherwise licit goods and services» (Castells and Portes, 1989: 15). The growing informal economy is also seen as immanent to the global capitalist development and closely intertwined with the reconfiguration of the formal economy in the context of an enhanced competition. Thus, informalisation is identified as a state strategy of developing and new industrial countries, conspicuously China and India, to compete for foreign direct investments and foreign markets. Finally, informal employment, frequently associated with irregular migration, proved to be the only survival strategy for workers that lost their jobs in many developing countries ridden by the debt crisis and the implementation of the structural adjustment programmes informed by the international «shift to the Right».

The international «shift to the Right» ensued in conjunction to the debt crisis in developing, primarily Latin American, but also African and some socialist countries, such as Yugoslavia and Poland. Following the «silent revolution» in development paradigm and discourse throughout the 1980s the conventional development model has been shaped by multilateral aid regime dominated by the USA and the international financial institutions (IFIs), namely the World Bank and the IMF (Boughton, 2001). In reference to the very location of the IFIs and US leverage on formulation of the policy blueprint for debt restructuring the model was labelled the «Washington consensus» (Lavigne, 1999: 159; Williamson, 2000). It reflected the shift towards a «new classical synthesis» (Boughton, 2001: 54) that championed trade and financial liberalisation and the promotion of a market economy. In 1989 John Williamson identified ten policy reforms that were actively practiced in Latin America throughout 1980s and that he believed an American conservative administration would support, that were translated into the conditionality



of structural adjustment programs.² The indebted developing countries were thus compelled to open their markets for industrial and consumption goods from OECD countries, while exporting raw materials under highly unfavourable terms of trade. While this resulted in lower international production costs for multinationals in advanced economies, developing economies experienced a «double squeeze» between high foreign debt service costs and plunging prices of raw materials, especially metals and oil, at the main Stock Exchanges.

In spite of the disagreements concerning the overall socio-economic impact of the contemporary wave of globalisation, evidence confirms that the implementation of neo-liberal policy packages both in developing and former socialist countries in Central and Eastern Europe have led to rising inequalities, poverty, unemployment, de-industrialisation, expansion of informal and illegal economy, state capture, violent conflicts, state collapse and new emergencies (Chen *et al.*, 2004; Milanovic, 2003; Putzel, 2005; Wade, 2005).³ Furthermore, radical economic restructuring, trade and financial reforms shaped to attract and guarantee foreign direct investments, while stipulating state retrenchment, have created both push factors and pathways for new migratory flows towards advanced industrial countries (Sassen, 1988).

The 1980s formation of different economies' inclusion into the global economic order and its mostly exclusionary outcomes in terms of deteriorating framework of social citizenship have also shaped the new transnational and national migration dynamics, landscapes and policies. Considering the distress of industrial restructuring, it is not surprising that Latin America and Asia were the main sending regions to the USA, with rising irregular migration, especially from Mexico. Europe of the 1980s, on the other hand, was to be shaped by the demise of the guest worker system due to rising unemployment, more restrictive migration regimes and the project of European enlargement towards Greece, Spain and Portugal. These are important factors that shaped the new European migration landscapes and its features. The countries of Southern Europe, previously sending guest workers to Western Europe, have now become the new gateway to Europe for increasing number of irregular migrants from Africa, Middle East and Asia, who come to meet the demand for cheap, casual and informal jobs in agriculture, textiles, construction and domestic services (King and Rybaczuk, 1993). Bimal Ghosh (1998: 10-13) reports estimates of 400.000 to 800.000 irregulars only in Italy, with Spain, Portugal, Germany, France, Switzerland, Netherlands,

² These policies included: fiscal discipline, state retrenchment, broad tax reforms, financial and trade liberalisation, robust export orientation and unified and competitive exchange rate, promotion of foreign direct investment, privatisation of state-owned enterprises, deregulation and protection of property rights and their promotion in the informal sector (Lavigne 1999: 160; Williamson 1990).

³ Jeffrey Sachs (2005), one of the engineers behind the policy package, now working with the poverty alleviation issues, admits the failure, but he basically attributes it to the lack of understanding for country specific geography and political contingencies as well as a missing financial support from developed economies, not the policies *per se*.



Belgium, United Kingdom featuring a rising number of undocumented migrants throughout the 1990s. He defines irregular migration as «generically all inter-country movements that take place outside regulatory norms of the sending, transit and receiving countries» (Ghosh, 1998: 9). The explosion of irregular migration is here explained by the contradiction between the rising demand for cheap labour and imposition of stricter border controls in developed countries and their transnational frameworks, such as the EU, on the one hand, and emigration pressures in the sending countries, on the other. Hence, both «survival migration», shaped by extreme poverty and deprivation, and «opportunity migration», structured by the lack of opportunities and expectations of better life chances, are related to the distressed home countries economies, but also to political instability and environmental emergencies. At the same time, Ghosh (1998: 69) maintains that irregular migration has attained its own inner dynamics that has been wound up by transnational criminal, illicit networks in control of human trafficking and their nexus to illegal practices such as child labour, sex industry and sweatshop production that engulf and involve the formal economy in both developed and developing world in many flexible ways (Cf. Nordstrom, 2003). In conjunction to the neo-liberal project of destructuring of welfare regimes irregular migrants came to energise the processes of the dualisation and informalisation of the advanced economies as well as their labour market flexibilisation in terms of ethnic, racial and gender segmentation. Yet, in spite of rising discontents with neo-liberalism, the 1989 revolutions, the breakdown of the Soviet Union and the inception of the transitions from socialist to a market economy had only reinforced the process of economic globalisation and generated new European geo-political and migratory landscapes.

POST-COMMUNIST TRANSFORMATIONS, INFORMAL ECONOMY AND EAST-WEST MIGRATION

In the course of the 1990s the Washington Consensus was also utilised as a blueprint for guiding the process of post-socialist transition to a market economy across the former Second World, while continuing to underpin the accelerated process of globalisation (Likic-Brboric, 2003). EU enlargement eastwards and the final accession of eight CEE countries and former communist economies are presented as a successful EU-driven post-communist institutional transformation and a peace project. However, the sweeping economic restructuring that ensued during the so-called transition to a market economy has inferred economic recession, rising unemployment, significant social costs, a colossal fall in living standards, new forms of social exclusion and poverty. It is hardly surprising that new types of informal economy started to flourish in the context of conspicuous «de-industrialisation», «de-agriculturalisation» and dwindling formal economy related



to the «post-socialist transformation crisis». The «parallel economy», i.e. various informal practices that permeated the state economy such as moonlighting, absenteeism, embezzlement and unauthorised use of state resources, favouritism, corruption and rule-bending, has evolved into «improving informal economy», while a growing number of informal businesses and the rising importance of survival economy proved typical responses related to post-socialist transformation. (Neef, 2002: 14). Yet, the most striking form of the informal economy in the transformation context is related to «the decapitalisation of the state» as the exclusive method of «private capital accumulation», configuring both new political system in terms of state capture and economic transformation in terms of illegal privatisation and hidden economy. These practices also create economic polarisation and further informalisation: private businesses grow «at the expense of the state, the state transfers losses to the population, and the population at large does its best to minimise them» (Chavdarova, 2002: 67-68).

While growing informalisation is commonly associated with contraction of the formal economy, Claire Wallace and Christian Haerpfer (2002: 35-36) emphasise that different paths of transition in different countries have led to differences in the significance of the informal economy, measured by the relative reliance of households on household production. In 1998 more than 80% of the households in Slovenia, the Czech Republic and Hungary rely on the formal economy, in Slovakia and Poland 70%. The conspicuous dependence on informal, household production was recorded in the outer circle of countries where a markedly lower dependence on the formal economy was detected: Bulgaria 27%, Belarus 26%, Croatia 18%, Ukraine 33 and Romania 47%. While the promise and policies of EU accession have put Croatia, Romania and Bulgaria on the fast track towards «the rule of law», the results have so far been far from satisfactory.

A functioning formal economy is generally agreed to be contingent on the successful institutionalisation of the market economy. However, in the ILO report on informal economy in CEE/CIS region Bettina Musiolek (2002) questions the conventional explanations of social exclusion and informality in terms of a failure to implement market reforms. Similarly, she questions the impact of lack of market institutions and cultures in the region, old communist bureaucracies, state capture, insufficient liberalisation, high fiscal burdens and macroeconomic instability as the main causes of informalisation. To the contrary, she finds that the policy of privatisations and a lack of capital combined generated illegal financial flows and the ill-directed financing of small micro-business and self-employment and thus engendered «*demarketization and barterization of the economic activities*» (Musiolek, 2002: 5). Furthermore, both privatisation of state companies and deterioration of public services had gendered effects. Women came to lose their jobs and relatively equal social position they enjoyed during socialism, without prospects to reclaim well paid jobs. Instead, they are being redirected into informal domestic work in low paid and low protected sectors, such as the garment



industry, where working conditions do not meet the minimum standards and workers rights are not recognised.

The most disturbing finding of Musiolek's report is the overall depressing influence of the EU trade regime and unfair accession negotiations with the prospective CEE candidate countries that entail persistent flexibilisation and deregulation of labour market with the intention to attract foreign direct investment (Musiolek, 2002: 10). According to Musiolek «de-industrialization of the CEE/CIS economies has been accompanied by a re-specialization on labour-intensive export production», especially in food processing, garment manufacturing and mining. In clothing industry the EU trade regime promoted the special schemes, so-called outward processing trade schemes (OPT) or «Lohnsystem» by removing tariffs on OPT produced goods while using tariffs on «sensitive goods» such as steel, fabrics and other direct imports.⁴ The OPT involves subcontracting of labour intensive jobs through import of semi-finished goods for finalisation and re-export to the country of origin. CEE/CIS countries have become the main field for OPT deals in footwear, garment and sportswear, while FDI inflows to these countries have remained modest. Poland and Romania became thus garment exporters to the EU, while former Yugoslavia and Bulgaria tag along. Previously successful garment exporters in former Yugoslavia have been downgraded to OPT schemes only. Such an understanding of «competitive advantages» certainly promotes informal work arrangements and supports the statement that «OPT can be called THE entry for informality» (Musiolek, 2002: 16-17). Clearly, the process of EU accession has entailed both de-regularisation and re-regularisation through emulation of a new EU trade regime with the objective to avoid the old, allegedly rigid regulations. The new flexible regulations «are creating precarious labour relations in their target countries and increase the pressure on deregulations of labour relations within the EU unless they are preserved by strong protectionist measures» (Musiolek, 2002: 18).

Transformation crisis, unemployment and protracted poverty in the region have also created structural conditions that provoked East-West migration (Ardittis, 1994), which reflects both general features of global migrations and regional particularities (Iglicka, 2002). In the recent UNESCO study on labour migration in Eastern Europe and Central Asia, Katja Patzwaldt (2004: 4) depicts how workers migrate between the countries in the region «cascading from poorer to richer countries». Thus, people from the least developed countries in the region such as the Caucasus Republics and Central Asian states in the south are attracted to the Republic of Kazakhstan or Russia. While labour migrants from eastern Ukraine

⁴ This point is also illustrated by the examples of mushrooming of textile companies without being matched by additional labour inspectors; international pressure on Poland to denounce the legal minimum wage in order to attract investments; pressures to deregulate labour markets across SEE region and big investors' informal admission that the implementation of ILO conventions in Bulgaria would make subcontracting to Bulgaria uncompetitive.



and Moldova choose Russia as their destination, migrants from Russia, western Ukraine and Moldova move to Central Europe to continue from there together with workers from new EU member and accession countries toward advanced EU economies.

Krystina Iglicka (2002: 205) points to a new «primitive mobility» that was generated in the context of regional free movement and persistent structural unemployment. It was economically motivated by the mismatch in supply and demand of commodities as well as price and exchange rate differentials between CEE and CIS countries. Actually, irregular and circular regional migration flows were underway already in the course of the 1980s in conjunction to the political and economic reforms in the USSR (*glasnost* and *perestroika*) and more flexible travel restrictions. In former Yugoslavia, the most open and developed of the socialist countries, Russian and Ukrainian doctors were seen working on the construction sites during their vacation, while girls from the Ukraine were exploited in sex industry. Finally, even before 1989 Poland and Yugoslavia were profiled as countries of significant labour emigration to the West.

The migratory flows in the region have not only been shaped by structural conditions, labour market and financial constraints and employment prospects that generate demand and supply of cheap migrant labour in both sending and receiving countries, but also by ethnic politics and post-socialist national state-building projects.⁵ The ethnic wars in former Yugoslavia led to new apprehension in Western Europe focused on «the flood» of refugees and asylum seekers from the early 1990s. The challenges of new East-West labour migration and asylum seekers from crisis-driven and war-torn transition countries not only prompted discussions on common European migration regime, but also reinvigorated the vision of a European Union and its enlargement towards East.

EU ENLARGEMENT, THE CHALLENGE OF MOBILITY AND THE EUROPEAN AMBIVALENT RESPONSES

The beginning of the 1990s was marked by the triumph of (neo)liberalism over communism. A liberal vision of the European Union as a Single Market was institutionalised by the Maastricht Treaty in December 1991. The Treaty, due to British influence, downplayed the Social Charter for Basic Social Rights of Workers that emphasised a social dialogue on the macro level and economic democracy at the enterprise level. While multilateral agreements like Schengen promoted inner mobility, nation states started to actively impose more restrictive measures to meet the challenge of migration, in general, and irregular migration, in

⁵ Almost all states in CEE region, including the new states established following the fragmentation of the Soviet Union, have large Diaspora communities in bordering countries: 1.2-2 million Poles live in former Soviet republics, 1.6-6 million Hungarians live predominantly in Romania.



particular. They also found it necessary to collaborate in order to tighten the border control depending on the character of emergency and specific situation, while intensifying control and sanctions of both employers and carriers of irregular migrants (Ghosh, 1998). The European level migration initiatives proliferated, both in the Council of Europe and in the EC/EU and the East-West collaboration with CEE countries evolved in order to better control migration flows.

In the course of the 1990s the states eagerly worked to devise the contours of the EU migration regime, erecting the walls of «the Fortress Europe» through the Maastricht Treaty that further expanded the Treaty of Rome, the Single European Act, the Dublin Convention and the Schengen Agreement. According to Michael Samers (2001), contrary to the US policy response to irregular migration and employment, that has been more attuned to the needs of economic accumulation and different business and ethnic lobbies, European responses to migration pressures have been more attentive to the issues of legitimation in terms of voters preferences and trade union grievances, yet more so in the North European than in Southern European countries.

Actually, the concern for political legitimation of the project of European integration in member states came to be particularly pressing after 1992, when electorates in most important European states shifted towards Social Democrats, which saved Europe from radical restructuring and buffered the social consequences of neo-liberalism. Even in the USA and Great Britain, where Thatcherism and Reaganism exemplify the neo-liberal reign, their institutional impact has been buffered by shifting voting preferences and democratic processes in the 1990s. In conjunction to the sliding victories of reinvigorated democrats in the USA, Social Democrats across Europe and finally, the New Labour in the UK, a search for socially sustainable globalisation and a more pronounced social dimension of EU was launched. The considerations of social issues, such as unemployment, poverty, income inequalities and different forms of ethnic and gender exclusion and labour market segmentation, including the issues of «undocumented labour» and migration, resulted in the inclusion of the employment objectives into the 1997 Amsterdam Treaty. The Treaty endorsed the European Employment Strategy (EES) and the launch of the 1997 Luxemburg process for its implementation leading to the 1999 European Employment Pact that subscribed employment policy to macroeconomic stability policies. The 1997 Luxemburg Summit had also endorsed the fifth EU enlargement towards CEE countries, while devising accession partnerships as instruments to support applicant states (Poland, Czech Republic, Hungary, Slovakia, Latvia, Estonia, Lithuania, Slovenia, Bulgaria and Romania) in the process of membership negotiations.

However, the inclusion of the social and employment concerns into the Amsterdam Treaty and the subsequent subordination of the EES to the given conditions of the macroeconomic stability only exemplifies a contradictory character of the processes of EU formation and enlargement, burdened by the conflicting



demands for stabilisation, economic efficiency and competitiveness, on the one hand, and objectives of social cohesion and political legitimacy, on the other (Cf. Likic-Brboric, 2004; Schierup *et al.*, 2006). This is illustrated by the discourse of «global competitiveness» that framed 2000 Lisbon Strategy and was advanced by the Head of the States at the Nice Summit who endorsed Social Policy Agenda (CEC, 2000) as an essential component in support of competitiveness. Its aim was «creating more and better jobs» and development of a «knowledge-based economy» through greater mobility, «modernising» social protection and promoting social inclusion, gender and ethnic equality as well as human rights.

Actually, the Lisbon Strategy and its implementation, strongly influenced by British New Labour as well as by international politics marked by the US political shift to conservatism *cum* post September 11 distress, have watered down social aspirations into further political and economic individualisation, coupled with transnationalisation of the European regime change (Gowan, 2004). EU-level interventions in the process of the Europeanisation of the multi-level industrial relations system reflect an asymmetric settlement between competing interest groups that supports a stronger role for the Commission, capital accumulation, economic growth, while promising better «living and working conditions» through flexibilisation of labour market and welfare regimes (Nieminen, 2001). Essentially, the adjustments to macroeconomic stability of the Single Market and Anglo-Saxon financial capitalism have so far been «negative» (Gowan, 2004:15). They have reinforced the power of capital while undermining labour through enhancement of competition, macroeconomic stabilisation, fiscal restriction and euronisation. According to Gowan (2004:14) these policies have not inferred «positive construction of a new set of European institutions of a unified Europeanist regime of accumulation» and they have endangered the national regimes of accumulation in the leading member states, France and Germany. Similarly, Apeldoorn (2003: 160) finds that the emerging transnational «European socio-economic order» can best be designated as «embedded neo-liberalism», since it «subordinates the European region to the exigencies of the global economy and global competition, and hence to the interests of global transnational capital», while it simultaneously reformulates the neo-liberal project in terms of social inclusion in order to meet a wider social consensus in traditionally corporatist member states.

In fact, this gearing of the EU project towards the creation of the global capitalist production system and its rearrangement in terms of «buyer-driven» flexible global production chains (Gereffly and Kaplinski, 2001), is not unexpected considering the fact that the EU has become one of the most powerful economies in the world with the largest share of foreign direct investment at 39% and the largest share of exports in the world (Berend, 2006). The inception of China and India into the WTO framework and TNC's strategies that utilise their cheap labour through subcontracting and informal employment, show that the configuration of global capitalist production system is only made possible by a parallel cre-



ation of a global labour market. Overbeek distinguishes three main mechanisms that have geared the latest development towards the creation of a global labour market as the process of integration of «an increasing proportion of the world population directly into capitalist labour markets» and locking «national and regional labour markets into an integrated global labour market.» These are: 1) the expansion of transnational trade and production, 2) new forms of global «commodification» of labour, and 3) global patterns of labour migration (Overbeek, 2003a: 17), and the EU has been constructive in their delivery.

The commodification of labour is, argues Overbeek, central to the shaping of the global capitalist system. It involves the search for cheap labour through integration of the formerly detached areas (former socialist and developing economies) into capitalist world market through «semi-proletarianisation» and even the «commodification» of the non-market activities in advanced capitalist societies through restructuring policies of privatisation and liberalisation (2003a: 19).

The latter processes have resulted both in growth of informal sectors and a «re-commodification» of labour, the outcomes of inhibiting of the de-commodifying character of the welfare state (Esping-Andersen, 1990). The process of «re-commodification» reflects changing power relations between social actors aimed at altering existing institutional arrangements through discursive and other social practices favouring capital and reifying labour (Papadopoulos, 2005). Similarly, (Slavnic, 2007 in this volume) discerns the social practices of informalisation «from above» as significant state and economic actors' strategies for advancing contingency for re-commodification through a rapid structuration of dual and vertical segmentation of the labour market.

Carl-Ulrik Schierup, Peo Hansen and Steven Castles (Schierup *et al.*, 2006; Schierup, 2007 in this volume) have also addressed the rise of new informal economic sectors in the contexts of the European metropolises. The informalisation in advanced European economies is interlinked with increasing ethnic and gender labour market segmentation, considerably involving socially marginal immigrant communities and irregular migrants. Here these phenomena are understood as inherent to global capitalist strategies of liberalisation and de-regularisation, and involve corporate actors' pursuit of competitiveness through vertical chains of subcontracting. These link states and regions, blur the distinction between formal and informal activities and bring back pre-industrial forms of labour exploitation and sweatshops into the First World economies. However, as Schierup, hansen and Castles (2006) point these phenomena have been more extended in Great Britain as a corollary to its «Neo-American» trajectory. Informal employment of irregular migrants in garment industry, domestic sector, hospitality, agriculture and construction has also become an important business strategy in South European economies, Germany and Netherlands in the context of state retrenchment, social polarisation, inadequate welfare provisions and aging population (Jordan and Düvell, 2002:59-64).



Furthermore, by the turn of the Millennium, following September 11 and the crisis of the IT sector, it became clear that the rise of industrial unemployment has not been met adequately by the rise of high quality jobs in service sectors, including IT, banking, retail, biotechnology, education and cutting edge healthcare as projected by the new knowledge economy missionaries. On the contrary, the expansion of the «high road» service sector has been limited, while enhanced competition in retail, construction and manufacturing, state retrenchment and ensuing privatisation created a growing demand for low skill workforce in retail, hospitality, child care and care of elderly. In conjunction to social polarisation of the global cities and a growing undocumented migration, that meets the new demand for low-skilled workers, domestic labour and personal services, we have seen a expansion of informal economy in the advanced industrial economies in general (Overbeek, 2003a: 20), and in the EU in particular.

The main effect of this dynamics has been the crisis of the welfare state(s) as a provider of jobs and social security, and a generation of the condition of social exclusion, the problem predominantly affecting marginalised migrant communities. According to Angus Cameron and Ronen Palan (2003) the social exclusion is the result of the institutionalisation of «the imagined economy» and a related remaking of «national economy» in support of the development of «off-shore economy» and «private economy» that created the reality of «anti-economy», that is, such economic activities that are «uncompetitive». Bob Jessop identifies a common response to the crisis of the welfare state and the problems of unemployment and social exclusion as an ongoing, intricate and path-dependent shift from different types of «Keynesian welfare national state»⁶ models towards diverse, nationally mediated versions of «Schumpeterian workfare post-national regimes» involving a modification of the social, labour and migration regimes. A crisis related Schumpeterian promotion of systemic competitiveness, innovation, flexibility and entrepreneurship, that is the articulation of the workfare regime, gears social policy to the needs of national competitiveness, labour market flexibility and individual employability, and modifies welfare services and social rights as to serve business interests. A search for the solution for the conflicting goals of regional/global accumulation regime and national social and welfare regime implies a «shift from *government* to *governance*», as a re-scaling of state politics, best exemplified by the current configuration of the EU employment and social policy (Jessop, 2003: 34-41).

Yet, although the policies of flexibilisation and employability translated into the European Employment Strategy claim enhancement of social inclusion in

⁶ The Keynesian welfare state is built upon a set of economic and social policies that were connected to social citizenship and confined to the national state, economy and society. It involves Fordist organisation of production and different levels of state intervention to address the problems of market failures, shape civil society, including the pursuit of «decommodification» of labour (Esping-Andersen 1990).



general and action against racism and discrimination in particular, they undermine the labour market position of the increasing number of EU citizens of immigrant background «who become trapped in the occupational ghettos of casualized labour in the post-Fordist service industries and in increasingly deregulated municipal services» (Schierup, 2003:133). In combination with a restrictive European border regime that generates irregular inflow of migrants and their cheap undocumented labour, the European adjustment to the social challenges of old and new migrations, calls for addressing «the wealthy First Europe's dual crisis of the *nation* and of the *welfare state*» in terms of the formulation of post-national citizenship rights (Schierup, 2003: 134). To that end, based on the Amsterdam Treaty that emphasized fundamental human rights and freedoms, the EC has tried to pursue anti-discrimination policies both through «hard» and «soft» regulations (Soininen, 2003).

Nevertheless, multi-level reconfigurations of the New «multiethnic» Europe intended to boost its «global competitiveness» have generated multiple dualities that reflect unresolved normative dilemmas to be deliberated at the EU level. The real European economy, marked by ethnic and gendered segmentation of labour markets, has become both «multiexclusionary» (Schierup, 2003: 133) and dependent on continuous inflow of both high-skilled and low-skilled migrant labour force. Following the Amsterdam Treaty this insight has led to a reformulation of the European migration regime away from «zero migration» towards an «efficient» and «flexible» migration management and a control of undocumented migration through «intensive transnationalism» (Samers, 2004). Ahead of the 2003 Thessaloniki Council the Commission presented a communication on the illegal immigration, based on preparatory work on the so-called Santiago Action Plan. Samers (2004) identifies three main characteristics of this emerging migration policy regime: an upward re-scaling and «gradual communitarisation» of policy making, a horizontal re-scaling of securitisation to third countries, and a discursive creation of illegal immigration as a social threat. Peo Hansen (2005) claims that these contradictory articulations of the EU migration regime intended to address the populist anti-immigrant sentiments undermine the prospects for anti-discrimination policies and clearly erode the right of asylum in the long run.

The recent, fifth wave of European enlargement and the inclusion of the post-communist societies undoubtedly reinforces the existing informalisations of EU economies and the pressures of new migratory flows. Although the latest wave of enlargement does not support popular fears of a sudden and significant inflow of migrants, many workers from the new member states have been involved in temporary agency work, especially in construction and domestic sector. Even though the figures on migration are deemed to be underestimated, according to the OIM (2006: 145) following the last enlargement eastwards, 730 000 citizens of the new EU member states and candidate countries have been regularly employed throughout the old EU member states, 300 000 have taken regular seasonal



jobs, while it is suspected that a great number, especially in hospitality, home care and agriculture, still take irregular jobs, in spite of regularisation of residence. They take lower wages and accept far worse labour condition, which promotes labour market flexibility in an enlarged EU under the burden for nominal convergence. Although demand for labour in the new EU member states will increase, fuelled by money from structural and cohesion funds, especially in construction, environment and waste management sectors, these jobs will not eliminate important push factors for East-West migration, structural unemployment and bad working conditions. They will be probably taken by irregular immigrants from the new neighbouring Eastern European and CIS countries, whose irregular condition is created by the new border controls, but also by workers from distant developing countries. Considering the fact that the new member states have also become attractive immigrant destination and transit countries, the influx of new kind of undocumented immigrants coming from, for example, China, Vietnam, India, Sri Lanka and Bangladesh, they have to cope with the double challenges of regional and global migratory trends. In this connection Krystyna Iglicka (2002: 208) maintains that the enlargement and implementation of the Schengen regime deteriorate the precarious position of the most vulnerable irregular immigrants in the CEE countries and may lead to the explosion of both xenophobia and nationalism. Similarly, Bettina Musiolek warns for advanced informalisation in the new member states and accession countries due to unrestrained EU commitment to «global competitiveness» and tolerance of multinationals' practices to further informalise the far end of supply chains and subcontracting to home-based micro-enterprises. In the absence of proper institutions that preclude disrespect for labour rights and bad working conditions as well as the public discourse that critically addresses multinationals' violations of labour rights and raises a proper social policy discussion it is difficult to challenge the attitudes «inside and towards» the region that tolerate informal economy (Musiolek, 2002: 12).

But, informalisation is not only enhanced by the new geo-political mapping of the EU economy and a concomitant internalisation of the adverse outcomes of the post-socialist transformation through political and economic integration that now closely interconnects the West and the East. It is also generated by a contradictory instillation of the free movement of labour in the EU-27 across the «old» EU-15 member states through the restrictive transitional arrangements. Considering increasing demand for the workers from the new member states, these restrictions do not curtail already existing irregular labour movements. They distort the institutionalisation of a functioning labour market as projected by economic analyses (Akkoyunlu, 2001), advance existing labour market segmentation, breed irregular situation for new EU citizens and further casualisation of their employment. These processes maintain existing «wage squeeze» and promote the reality of «citizenship squeeze» that shrinks the socio-economic basis of European identity in the making. The restrictive approaches to Bulgarian and Romanian work-



ers even in otherwise liberal Ireland and Great Britain, illustrate political fears of the popular nationalistic responses to the pressures of the labour market competition and foreign cheap labour, without addressing the very policies of flexibilisation of the labour market *per se*.

While the EU has put informalisation of the economy and its nexus to irregular migration and EU enlargement on the agenda, the problem has been conceptualised as «undeclared work» and a threat to public services. Drawing on the legalist approach to informalisation, the EC has promoted a harmonised policy approach, consisting of tax concessions in the sectors whose competitiveness relies on irregular work, employers' responsibility for the subcontracting chain and public campaigns to raise awareness of the problem. The actions against informal economy have also become the part of the EES in 2003, involving soft policy coordination, through OMC (Open Mechanism of Coordination) process and information exchange.

These initiatives can hardly tamper the general trend of informalisation that is inherent to the EU's primary concern with economic growth and low inflation. This orientation constrains the contingencies for development and emulation of the European Social Model, while the low level of wages and social protection in the new member states with new forms of labour casualisation *cum* informalisation enable continued «wage squeeze», re-commodification and vertical segmentation of labour in the old member states. In the search for «flexicurity» the formal redesign of the European model of social protection is pursued through soft policy coordination and dialogue concerning transformation of national labour market and welfare regimes, also named as «self-transformation of the European social model» (Hemerijck and Schludi, 2002: 105).

The focus of EU transnational political economy remains the shaping of a global labour market beyond national space, yet involving national, international and sub-national levels at the same time. Overbeek (2003a) claims that the ideology of global neo-liberalism has been embraced even by Social Democrats and that EU's approach to enlargement and labour market reforms as a main factor of «competitiveness» clearly paves the way for further restructuring through shedding of workers. By the same token, the transformation of the European social model within these parameters clearly implies a decline of welfare state as the institutional basis of social citizenship. In the context of the EU, the social and migration policies are becoming post-national, involving the reassignment of promotion of universal social justice to global, European, regional, urban and local levels articulations. At the same the implementation of already extensive human rights norms, as declared in the European Social Charter or ILO conventions, has been diluted by an «ambiguity» concerning the importance of the EU Charter of Fundamental Rights for European integration (McCrudden, 2001) and reassigned to public-private networks, soft regulations and meta-governance interchanges between state and non-state actors on the EU and global level (Jesop, 2003).



GLOBAL GOVERNANCE, FAIR GLOBALISATION AND THE DECENT WORK AGENDA

The management of the processes of economic and socio-cultural globalisations has implied a shift from government to governance with diverse recombinations of common and country-specific institutional responses and political consequences across the globe. Global governance has been defined as «the set of normative, social, legal, institutional and other processes and norms, which shape, and in some cases even regulate and control the dialectical interplay of globalisation and fragmentation» (Clarke and Edwards, 2004:6). However, the main global governance actors have primarily and consistently navigated the process of globalisation towards a creation of a liberal trade regime and related financial and monetary system, embodied in the establishment of the WTO following the Uruguay Round. Without doubt the system of global governance and its agenda has predominantly been shaped by the most powerful and economically advanced countries, OECD, organisation of most developed countries, led by G7 and clearly dominated by the USA, as well as by transnational corporations.

In this process of negotiation of the global trade regime the global governance itself has also been rearranged. The Bretton Woods international financial institutions, IFIs, namely the World Bank and the IMF, have become instrumental in the imposition of the neo-liberal model and the promotion of free capital mobility. Strongly supported by the USA and the advanced economies the IFIs have also received an exclusive position apart from rest of the UN organisational architecture, a clear mandate and necessary resources to promote hierarchical global economic governance insulated from democratic grievances. Throughout 1990s The World Bank has persistently endorsed the Washington consensus including downward social policy reforms and flexible labour laws, regardless of the rising discontent with its social and democratic deficit as well as its obvious failure to deliver economic development and employment.

However, at the turn of the Millennium, the «Bretton Woods paradigm» and its optimism concerning eradication of poverty through developing countries' embracement of the GATT/WTO driven international trade (Thérien, 2005) has been put increasingly in question. The alternative, «UN-paradigm» (Thérien, 2005), which is informed by a different understanding of the nexus between global liberalisation and poverty, inequality, deterioration of social conditions, human and labour rights, has been initiated by several funds, commissions and agencies affiliated to a complex and disjointed UN scheme under the ECOSOC co-ordination mechanism. This includes the UNDP (United Nations Development Programme), the ILO (International Labour Office), the UNICEF (United Nations Children's Fund) and the OHCHR (Office of the High Commissioner for Human Rights) in collaboration with the OIM (International Organisation for Migration). These multilateral agencies, within their overlapping mandates to promote human development, labour rights and social justice, have in the course of the 1990s elabo-



rated a comprehensive theoretical and policy framework for the promotion of the social dimension of globalisation.

Following the repeated decline to include the social clauses into WTO negotiations (Malmberg and David, 1998) and the breach in the globalisation dialogue, in June 2000 the UN General Assembly decided to commission the ILO the task of formulating of a comprehensive global employment strategy. The ILO, given a golden opportunity to restore its derailed position within the global governance framework, reaffirmed its mandate to promote social justice through forging a «decent work agenda» that was formulated by its Director –General Juan Samovia in the 1999 Decent Work Report (ILO, 1999). According to the Report the ILO's primary goal is «to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and dignity» (ILO, 1999). Decent work agenda corroborated the basic principle of the ILO Constitution, which postulates the «de-commodification» of labour and reaffirmed the 1998 Declaration on Fundamental Principles and Rights at Work, while also appealing to a bundle of previously declared international human, social, economic and cultural rights.⁷

Moreover, the ILO's revitalised engagement in reaffirming and the promotion of labour standards is also connected to other more ambitious goals, such as promotion of employment, social protection, security and social dialogue, including strategies to achieve these goals and addressing all workers, even unregulated, self-employed and homeworkers. Besides these ambitious goals and strategies, the Decent Work Agenda goes beyond the assertion of a universal social floor of economic globalisation. It also challenges the conventional approach to global economic development and growth, proposes an integrated approach to sustainable development and macroeconomic policies that recognise the economic benefits of reducing «decent work deficit». In his 2001 Report, the Director-General claims that decent work is «affordable» and «feasible», that it needs coherence in order to encompass both economic and social objectives, while emphasising its universality (ILO, 2001).

In pursuing these goals the ILO's experts have collaborated not only with trade unions, employers and governments but they also opened a dialogue with global social movements and NGOs. A series of annually issued reports and numerous discussion papers centred on different facets of employment, deteriorating working conditions and poverty followed. One of the most significant and challenging reports is the *Decent Work and the Informal Economy* (ILO, 2002). The preparation and the endorsement of the report involved lively and heated debates between

⁷ The Declaration affirmed eight core conventions that ensured: freedom of association, recognition of collective bargaining, elimination of forced labour, prohibition of child labour, elimination of discrimination in employment and occupation and right to income. These rights are also linked to the 1948 Universal declaration of Human Rights, the 1966 International Covenant on Economic, Social and Cultural Rights and the 1995 World Social Summit Declaration and Commitments.



academics, feminist activists, NGOs as well as trade unions, governments and employers.⁸ The main issues were who was to represent the workers in the informal economy and how to enable the participation of the NGOs, already working with informal workers, at the ILC, since the ILO's procedures worked on the basis of tripartite formal representations consisting of Workers' Group, employers and governments. The discussion also concerned the demand for the change in the procedures in order to enable the participation of the NGOs that was actually met by the amendment taken at the 90th ILC Session with the occasion of the presentation of the report on the informal economy.

The report stated that a growing informality, its complexity and the fact that most new jobs in developing and transition countries have been generated in the informal economy challenge the term «informal sector» as too narrow. An integral approach to informalisation was proposed and the term «informal economy» was advanced in order to denote the heterogeneity of the phenomenon, including both the informal employment and informal business relations, involving the diversity of actors –workers and enterprises– operating informally, such as own-account workers, street vendors, shoe-shiners, paid domestic workers employed by households, homeworkers and workers in sweatshops in production chains, the self-employed micro-enterprises and their family employees. According to the ILO (2002: 2-3), these groups of actors share the common condition manifested in the lack of legal recognition and protection, extreme vulnerability and their dependence on informal institutional engagements that generate own idiosyncratic «political economy».

A broad framework for the integral approach was also elaborated based on the position that the informal economy can only be understood in connection to the configuration of the formal economy and that «decent work deficits» seriously endanger decent work conditions in formal economy by creating the competitive pressures through unfair practices. Accordingly, the ILO defined its goal as the promotion of «*decent work along continuum from the informal to the formal end of the economy, and in development-oriented, poverty reduction-focused and gender-equitable ways*» (ILO, 2002:4). The decent work agenda, as a part of a comprehensive strategy to remove the root causes of informality, consists of four modules: generating of opportunities for employment and income, enhancement of rights at work, improvement of social protection and strengthening of representation and voice in the informal economy. In conjunction to the launching of the report the goals, strategies and the most important actors were identified as presented in Diagram 1.

⁸ The main framework for the discussion and the report was presented by the WIEGO (Woman in Informal Employment Globalizing and Organizing), a global research policy network led by Marty Chen, a Lecturer at the Kennedy School of Government, Harvard University. Other organisations involved were IRENE (International Restructuring Education Network Europe), Global Labour Institute, ICFTU (International Confederation of Free Trade Unions) and a dozen other NGOs and campaigners that gave regional and country reports in the preparatory process.



DIAGRAM 1

Strategies and actors promoting decent work agenda

THE GOALS AND STRATEGIES	THE SIGNIFICANT ACTORS
Ratification and implementation of core labour standards and the right to organise Promotion of entrepreneurship and small enterprises Mobility schemes and active labour market policies, including skill development and education Micro finances Social protection schemes Occupational safety and health Inclusion of work standards in informal work into urban planning	<i>National</i> <ul style="list-style-type: none"> • Informal employees, employers and owners of informal businesses • Central and local governments, labour inspectors and tax authorities, trade unions, NGO's and formal employers and their associations <i>International</i> <ul style="list-style-type: none"> • The ILO • EU Commission and Parliament • UN based organisation • Big TNC's and foreign employers • International and EU trade union organisations, global social networks

In pursuing these strategic goals and the overall organisational objective to reinvent itself as a main forum for the social policy dialogue the ILO launched several other global initiatives. They have come to structure a discourse of global justice, solidarity and fair globalisation configured around the concept of decent work, alternative cognitive and normative frames in support of alternative policies aimed at a discursive reconfiguration of the global order.⁹ On the highest level the ILO initiated WCSDG (The World Commission on the Social Dimension of Globalisation) that produced its final report *A Fair Globalisation* in 2004. The report takes a stock on the impact of globalisation and proposes an inclusive framework for a fair global governance in order to balance global financial and economic institutions, free capital and trade flows, with a universal social floor, human and labour rights and fair rules for cross-border movement of people (WCSDG, 2004). Another initiative concerns migration as the global phenomenon and building the GMC (Global Migration Group) together with International OIM (Organization for Migration) and several other UN agencies and complementary to UN initiatives in the field of migration. The UN Secretary General also launched the GCIM (Global Commission on International Migration) that presented its report in 2005 (GCIM, 2005). The report probed into the problems of global of migration, especially the estimate of rising undocumented migration and reaffirmed the existing legal mechanisms that should frame migration policies.

All these initiatives clearly present a formidable paperwork and discursive exercise, but the possibility to implement alternative approaches that entertain social justice in terms of workers' rights must also be discussed in a historical perspective and analysed within international political economy, understood as «geopolitical economy», that reclaims the role of the nation state in shaping glo-

⁹ A Gramscian hegemonic struggle for ideological reconfiguration of the political order of discourse and its institutionalisation as proposed by Fairclough (Fairclough 1992; Likic-Brboric 2003)



balisation in general and global migration, in particular (Samers, 1999). On the whole, the discourses on migration have showed the gap between arguments and analyses developed within the «rights perspective» and the «economic perspective» on migration. In both perspectives, free migration is expected to have positive effects on economic growth of both the receiving and sending countries thus reducing global inequalities in the long run while promoting transnational citizenship rights. However, the short and medium-term disturbances, rising irregular migration and informalisation of the economy will bring about social and political challenges as well as social costs of adjustment articulated in social conflicts, racism and xenophobia, if not adequately attended. The downward pressure that irregular migration has played on wages and deterioration of working conditions clearly beg multifaceted exploration of consequences of international migration. For example, in the context of globalisation and regional free trade arrangement NAFTA, the rising income inequalities in the US economy and almost three decades of «wage squeeze» and deterioration of wage differentials for unskilled labour are attributed to migration and free trade. Contrary to economic theories (Heckscher-Ohlin-Mundell theory) that predict less migration in the context of free trade and capital mobility, the studies on international migration point to a positive correlation between free trade and rising international migration (Solimano, 2001). This, «migration paradox» has to be analysed in conjunction to critical development studies that point to other discrepancies between optimistic expectations implied by liberalisation and de-regularisation policies informed by mainstream economics and their real disappointing economic impact.

Due to these optimistic *laissez faire* global scenarios the ILO has had difficulties in promoting and establishing social clauses and labour standards as an effective norm for international trade regime (Malmberg and David, 1998). Actually, there already exists a plethora of international rules, norms and regional instruments that make up a human rights-based approach to migration in general, and labour and irregular migration in particular, and which would, if implemented, protect migrants from the worst kinds of exploitation and human trafficking (ILO Conventions 97 and 143) while guaranteeing respect for migrants' rights by the 1990 UN Convention on the Protection of Rights of all Migrants and Members and Their Families.¹⁰ However, these universal declarations, conventions and recommendations have, to a great extent, proved toothless since they are not backed up by effective sanctions. Some studies of the articulation of an international regime and its normative basis have even pointed to the weakening effect of the plethora of parallel standards and instruments that reflect organisational competition within the UN system (Ghosh, 1998; Hasenau, 1990).

Another problem is connected with the transnational strategy and the organisational capacity of the non-state multilateral actors, trade unions, interna-

¹⁰ It took twelve years to be adopted and more than a decade to be ratified by necessary number of countries in order to come in force).



tional NGOs, academic communities, and civil society at large to make a significant difference. Basically, two venues of action have been pursued: one towards empowerment of the «precariat» and another along the governance of the production value chain, where the role of the multilateral agencies, TNCs and the state is underlined. Concerning the former, there has been a divide between trade unions and NGOs. The trade unions, on the one hand, were criticised for the bureaucratic style, nationalism and exclusion of the poor and the excluded, while praised for organisational capacity and internal democracy (Cf. Silverman, 2005). However, the recent mobilisation of trade unions against criminalisation of illegal immigrants in rallies across the USA points to a change in the trade unions' practices and attitudes. The NGOs, on the other hand, were praised for fluid organisation while criticised for a lack of coordination and for a focus on poverty reduction that disregards employment issue (Eade and Leather, 2004).¹¹ The problem has, nevertheless, been addressed by the WIEGO research network in a policy handbook *Mainstreaming Informal Employment and Gender in Poverty Reduction* (Chen *et al.*, 2004). Another initiative has been launched by the PICUM (Platform for International Cooperation on Undocumented Migrants), an umbrella NGO that is located in Brussels. The report «Ten Ways to Protect Undocumented Migrant Workers» has called for civic and trade unions' engagement in promotion of human and workers' rights of undocumented migrant workers and their empowerment through a reformulation of EU integration policies and European Social Inclusion Strategy (PICUM, 2005).

Concerning the latter, that is a strategy aimed at development of corporate responsibility and state involvement has been generated from an innovative research that identified «unequalisation» through hierarchically organised global production chains and its unfavourable distributional outcomes and trends (Gereff and Kaplinski, 2001; Kaplinsky, 2000). Last, but not least, initiatives such as corporate social responsibility and fair trade campaigns have been launched, including the practice of pending social conditions to bilateral and regional trade agreements.

The most important actors, the TNCs, national states and the regional actors have for the most part pursued the fair trade initiatives, while being less enthusiastic in promoting the decent work agenda. Although many governments support the agenda formally, the implementation problem has been recast in terms of governance, understood as formal and informal sets of institutions and policies that establish the interplay between society and economy, but not any resolute government action. The ILO experts have been working on the dissemination of the international labour standards in different national contexts through the Decent Work Pilot Programmes, but the recent review calls for «a much more pro-active approach» (ILO, 2005).

¹¹ See (Waterman 2004) for a radical critique of the global civil society.



«DECENT WORK» AGENDA AND THE CONTINGENCIES FOR A ENLARGED EU

The EU and its member states are the most significant actors that shapes the global economic regime within the framework of multilateralism. In that process the EU has cautiously communicated its support to different global initiatives to put fourth the social dimension of globalisation and to address the issues of social justice. It has supported re-scaling and transnationalisation of the promotion of the social dimension of globalisation and the ILO's «decent work» agenda. For example, in 2001 the European Commission conveyed its support for advancement of core labour standards and policy actions aimed to strengthen their efficient implementation. These include enhanced discussion within ILO framework and inclusion of these issues into global development discourse, support to ILO technical assistance, an inclusion of labour standards into GSP (generalised system of preferences), bilateral relations and trade agreements, corporate responsibility, social labelling and codes of conduct, but a «rejection of sanction-based approaches in trade policy» (CEC, 2001). In 2004 the Commission responded to the WCDG report by conforming to the apprehension concerning downside of globalisation and a necessity to promote the social dimension of globalisation both within European and global context. In its Communication (CEC, 2004), the Commission emphasized social aspects of the Lisbon Strategy, the importance of social dialogue, the structural funds and the European Social Fund for buffering the consequences of rapid restructuring and promoting human capital and «employability» in the new (former CEE) member states. However, the significance of the European Social Model, policy instruments and methods in support of the social facet of the Europeanisation is downplayed in addressing the «rest», i.e. other transition countries in the neighbourhood and the third countries. They were to be supported by the new European Neighbourhood Policy or the mainstream development policy informed by the Millennium Development Goals, human rights and democratisation. In all these communications, the main goal and instrument of promotion of the social dimension has remained free trade, including bilateral agreements, corporate responsibility and private social initiatives, while the problems of the social effects of globalisation were to be addressed through research initiatives. The migration issue has been only been referred to as a parenthesis and assigned to multilateral forums.

Although European Trade Union Confederation (ETUC) has persistently called for the EU's more active commitment to «decent work agenda», as pledged by the exchange of the letters between the EC and the ILO in 2001, these issues came to be seriously attended first in 2006. It seems that Bob Deacon (2005) rightly predicted the shift in the globalisation discourse towards a more serious consideration of universal social policies. The debate on globalisation seems to have narrowed down towards a common concern for downsides of globalisation, such as rising inequality and the undermined middle class even in the developed world.



The most ardent promoter of globalisation Martin Wolf (2007), for one, has argued, both at Davos World Economic Forum and in his column in the Financial Times, the need to bring back the welfare state. So, the Commission's communication (CEC, 2006), prepared jointly by the DG for Employment and Social Affairs, Foreign Relations, Development and Trade, seems to reflect «the spirit of the moment». The Commission emphasizes its strong leverage on reshaping globalisation through the inclusion of «decent work agenda» as a «ninth Millennium Development Goal» into all their external policies, including enlargement policy, neighbourhood policy and development cooperation. Furthermore, it promised to promote a «better management of economic migration» building on the previous experience of enactment of the free movement of workers, their rights and integration within the EU. However, civil society actors, such as the *EurActive* have extended their criticism for the lack of addressing the deterioration of labour standards within the EU and the candidate countries (EurActiv, 2006).

In her probing study on informal economy in CEE/CIS region Bettina Musiolek (2002) pointed to the state policies of de-regulation in support of attracting FDI as main obstacles to the promotion of «decent work agenda». Considering nationalistic sentiments in the CEE countries and the lack of experience, institutions and administrative capacity for human rights based migration management as well as for the interaction with and integration of immigrants in local societies, it is clear that the new member states require economic resources, political instruments and the normative basis for the acknowledgement and protection of migrant workers' rights and decent work conditions even for workers in informal economy. Only recently the CEE regional branch of the ICFTU have initiated the process of the inclusion of the workers in informal economy. In that they recognise obstacles in own organisational weakness, an enormous reliance of both private and state sector on informal economy and the CEE states' ambivalence to regularise and formalise the informal economy (Glovackas, 2005).

Thus, in spite of discursive interventions in support of social justice and formalisation, we have seen the practice of further economic and social polarisation, informalisation of the economy and increasing irregular migration, i.e. articulations of a regional and global political economy of inequality. The real impact of the on-going articulation of the global and EU consensus in support of inclusion of social justice into globalisation and Europeanisation remains contingent on its translation into national policy contexts, on the one hand, and limitations given by the developed states' unconditioned devotion to the WTO negotiations and global competitiveness, that cautiously ponder inclusion of social conditions only inasmuch they facilitate a deterrence of economic protectionism.

Ultimately, the main obstacle to the promotion of the «decent work agenda» and the promotion of the rights of the migrants in the context of EU enlargement remains the ambivalent state politics and the related problematic understandings of irregular migration as a humanitarian or free movement issue, on the one



hand or global distorted labour market problem, on the other one, disregarding irregular migrants as social actors (Termonen, 2004). In order to address and harness the problems brought about by the EU politics of free flows of capital and (a less) free flow of people we need to forge a notion of European citizenship that involves «a substantive conception of political membership for immigrants as well as for marginalised citizens and poor people in the countries of the rich world» (Sassen, 2006). Such an endeavour entails the formulation of the «politics of propinquity and of connectivity» that embraces the respect and «responsibility» for both the proximate and «distant other» (Stenning, 2005). It also demands «the decolonization of European geographies» (Pickles, 2005) and an understanding of post-communist transformations as a core of Europeanization that equally affects both the East and the West.

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Is globalization a source of economic growth and prosperity, as most economists and many in the policy community believe? Or is it a threat to social stability and the natural environment, as a curious mix of interests ranging from labor advocates to environmentalists—and including the unlikely trio of Ross Perot, George Soros, and Sir James Goldsmith—argue? The literature on export-industrialization and the feminization of industrial work challenges theory to catch up with lived realities. Reports from the new frontiers of industrial labor reveal a widening gap between our analytical constructs and workers' actual experiences. Keywords: globalization, migration, migrants, trade-union, labour, labour migration, policy, human rights, European Union, ethnic minority, discrimination, security, illegal, employment, convention, migratory policy, dialogue, responsibility. Migration is making vast but often unrecognized contributions to economic development of most countries of the Commonwealth of Independent States (CIS), whether in providing labour power and skills for Kazakhstan and new Russia, opportunities for employment abroad and remittance income in Central Asia, the Caucasus, Moldova and Ukraine. What challenges does migration pose to the world economy and global security? By The Globalist, July 13, 2005. Headed elsewhere. Takeaways. (New York Times Magazine). What migration effect do the ten new EU member countries expect? The potential youth drain for the 10 new EU countries is estimated to be between 3% and 5% of all people who have achieved a university-level education—and more than 10% of the sending countries' students. (European Union). Yet, what are the challenges? As migration from the countryside continues, China will have to produce 280 million new jobs in urban areas over the next decade just to maintain the rate of unemployment achieved in 1995. (National Times). What is the situation in India? The European Union (EU) has expanded a number of times throughout its history by way of the accession of new member states to the Union. To join the EU, a state needs to fulfil economic and political conditions called the Copenhagen criteria (after the Copenhagen summit in June 1993), which require a stable democratic government that respects the rule of law, and its corresponding freedoms and institutions. According to the Maastricht Treaty, each current member state and the European Parliament must What Are the Challenges of Globalization? How Globalization Changes Your Daily Businesses Operations. Go Global with the Right Partner. What is Globalization? Before discussing the benefits and challenges of globalization, it's essential to have a strong understanding of what the term means. Because the world is already so connected, most people don't notice globalization at work every single day. But the world is getting smaller, and companies need to understand what this means for the future of doing business. Companies that don't embrace globalization risk losing a competitive advantage, which allows other businesses to take over new opportunities in the global marketplace. What Are the Benefits of Globalization?