

# The 2030 Agenda: The roadmap to GlobALLization

*Authors: Filipa Correia, Philipp Erfurth and Julie Bryhn*

## ABSTRACT

This paper conceptualizes recently negotiated international agreements, particularly the 2030 Agenda for Sustainable Development, as a collective roadmap to overcome challenges associated with globalization. By analyzing the effects and implications of globalization on societies and economies, the paper highlights concrete aspects of the international commitments that address globalization challenges in the three dimensions of sustainable development. Particular focus is placed on global production patterns, labor markets, poverty and inequality, global imbalances, migration and climate change. The paper concludes that, in the context of a changing political economy of globalization and multilateralism, concrete steps to be taken should include efforts to forge a new social contract, tackle inequalities within and between countries, address adverse effects of globalization on domestic economies, promote decent work, strengthen global institutions and tackle environmental challenges.

**JEL Classification:** E60, F60, F63, H20, H87, J02, O20, Q01, Q56

**Keywords:** 2030 Agenda for Sustainable Development, Globalization, Multilateralism, Social contract, Structural change, Sustainable Development.

## CONTENTS

Executive Summary .....	3
I. Introduction .....	6
II. The changing context of globalization and multilateralism .....	7
III. How globalization changed our societies: Effects and implications .....	10
IV. Addressing the challenges of globalization through the 2030 Agenda: A roadmap to an inclusive, interconnected world .....	32
V. Concluding remarks .....	37
Bibliography .....	39

UN/DESA Working Papers are preliminary documents circulated in a limited number of copies and posted on the DESA website at <https://www.un.org/development/desa/publications/working-paper> to stimulate discussion and critical comment. The views and opinions expressed herein are those of the author and do not necessarily reflect those of the United Nations Secretariat. The designations and terminology employed may not conform to United Nations practice and do not imply the expression of any opinion whatsoever on the part of the Organization.

Typesetter: *Nancy Settecasì*

UNITED NATIONS  
Department of Economic and Social Affairs  
UN Secretariat, 405 East 42<sup>nd</sup> Street  
New York, N.Y. 10017, USA  
e-mail: [undesa@un.org](mailto:undesa@un.org)  
<https://www.un.org/development/desa/>

## Executive summary

The intensification of globalization has added importance to the need for international coordination and the creation of global normative and institutional frameworks that ensure consistency, sustainability, universality, inclusiveness and accountability at all levels – national, regional and international. In the context of dynamic and increasingly interconnected global challenges, it is paramount to recover and uphold the principles of multilateralism.

Globalization is at the root of important economic and social adjustments related to the trans-nationalization of production patterns, which have had far-reaching impacts in domestic production and labour markets in almost all countries, as well as on the distribution of income, energy consumption, use of natural resources, travel, culture, information technologies and communications, among others. These adjustments have both positive and negative impacts on the economic and social fabric of society and on the sustainability of countries' environmental resources. This paper attempts to assess the far-reaching effects of globalization in the three dimensions of sustainable development – economic, social and environmental – against the backdrop of the 2030 Agenda for Sustainable Development.

---

*The recently negotiated international agreements, particularly the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda and the Paris Agreement on Climate Change, can act as a collective roadmap to address the challenges of globalization.*

---

Recently negotiated global agreements, chiefly the 2030 Agenda for Sustainable Development, provide a comprehensive framework that promotes international cooperation in finding solutions to global problems – bringing under a unifying umbrella all relevant international normative frameworks in an integrated and coherent way – while recognizing that each country must find its own policy mix in accordance to its national political and economic circumstances.

---

*Globalization requires a strong backing of a set of national policies that can better distribute the gains and the losses from structural adjustments and dynamic trends, which are more effective in a framework of international cooperation. Policy integration is integral to achieving results, as is policy coherence across structural areas.*

---

The impacts of globalization can be seen across and beyond the economic, social and environmental dimensions of sustainable development, impacting also the political, peace and security, and human rights realms. To unlock the long-term benefits and address the challenges brought by globalization, integrated policy frameworks will be key. While international cooperation will be integral for the effectiveness of national policies, impact at the local level will depend crucially on policies decided at the national and sub-national levels. Globalization, therefore, has not dismissed policymaking at the national level; on the contrary, it has enhanced its prominence.

---

Six key conclusions on building a roadmap to leave no one behind in an interconnected world are put forward in this paper:

✓ **Forging a new social contract**

There is the need for new national social contracts based on multilateral cooperation backed by strong national integrated policies and affirmed in the principles of sustainability, universality and inclusiveness. The 2030 Agenda provides the blueprint to forge such a contract, to achieve the required mix of external and domestic stabilization based on those principles. In upholding its five pillars – People, Planet, Prosperity, Peace and Partnership – the 2030 Agenda encompasses the principles of an emboldened, resilient social contract: prosperity is both finite and disruptive if not produced in an inclusive and sustainable manner.

✓ **Tackling inequality within countries**

Inequality matters. It is not only a question of social justice; it has also been characterised as an obstacle to economic growth, and political and social stability. There are several links between globalization and inequality, including the growing divergence of income from high-skilled and low-skilled employment, rising returns to capital relative to labour as well as an unbalanced and unequal globalization of trade and finance which has had a deleterious impact on the labour share of income. The 2030 Agenda addresses inequality in a cross cutting multidimensional manner. Introducing distributional impact assessments into policymaking processes can be an efficient approach to reduce inequalities, as it allows policymakers to frontload considerations of equality in the origination phase of the policy making process.

✓ **Tackling the effects of globalization on domestic economies and labour markets**

Economic adjustments tied to globalization have caused tectonic shifts in domestic production and labour markets, leaving many behind. In the context of globalization, policies need to be crafted in recognition of imbalances that can arise from global trade and business. To address these challenges, there is scope in a range of countries for policies that target the demand side to foster investment into productive capacity and, thus, job creation. This includes investing in training and the upgrading of skills, which becomes crucial in the context of globalization combined with exponential technological progress. Furthermore, policymakers should take proactive measures to improve the labour income share. Effective collective bargaining, for instance, helps to improve the employment reaction to macroeconomic measures, which can be key in addressing public discontent related to adjustment processes.

✓ **Promoting decent work and the global social protection partnership**

Amid the changing realities in labour markets brought about by an increasingly globalized world, promoting decent work, fully embedded in the 2030 Agenda, becomes ever more important. Women and men need opportunities to obtain decent and productive work, in conditions of freedom, equity, security and human dignity. The Global Partnership for Universal Social Protection, adopted in 2016, aims at upholding universal social protection as a primary sustainable development priority. Implementing universal social protection

systems will require a mix of social and labour market policies to gradually align the protections available through different employment arrangements. Decent work and productive employment opportunities created by sustainable economic growth are key elements for achieving poverty reduction as well as a fairer and orderly globalization process.

✓ **Strengthening global institutions and partnerships**

Global imbalances continue to create an unlevelled playing field for some countries and actors in the global system, fostering inequality between and within countries. To tackle shortcomings of the global system, one important step, embodied in the 2030 Agenda, can be to enhance representation and voice for developing countries in decision-making in global economic and financial institutions, thus ensuring more effective, credible, accountable and legitimate institutions. This will also strengthen the ability to forge strong partnerships to galvanize means of implementation at all levels to advance sustainable development.

✓ **Tackling environmental challenges of globalization**

Climate change represents one of the most pressing challenges of our time. Globalization has contributed to climate change as an important driver of CO<sub>2</sub> emissions in transport and other areas, as well as to natural resources depletion through the promotion of unsustainable patterns of consumption and production. These being trans-boundary challenges, global normative frameworks present the only viable solution. The Paris Agreement and the 2030 Agenda provide authoritative frameworks to address a range of challenges associated with economic globalization in the environmental dimension, providing integrated policy frameworks that deliver balanced, sustainable, long-term solutions.

## I Introduction

Discontent with established institutions and globalization, as evidenced by recent political processes and social movements in parts of the world, has laid bare deep cracks in the very foundations on which the post-war consensus was built—globalization and multilateralism. At the root of this unravelling of the post-war consensus underpinning global and regional integration are several trends that have posed challenges to the existing institutional framework at the global, regional and national levels. These challenges are not limited to a specific dimension, but are grounded in the economic, social, environmental and political realms. They include macroeconomic adjustments, trade, income inequality, financial instability, migration, climate change and national security.

Many definitions of multilateralism have been advanced, often depending on the academic field of its authors. This paper defines multilateralism in line with Ruggie (1993), as “*an institutional form which coordinates behaviour among three or more States on the basis of ‘generalized’ principles of conduct*”.<sup>1</sup> Multilateralism and globalization are intrinsically connected, as both are characterized by actions that transcend national borders. In keeping with its impacts on the economic, political, social and environmental spheres, the concept of globalization is seen as a process by which the world is becoming increasingly interconnected, especially through the growing integration of markets and nation States, the spread of technological advancements, the receding geographical constraints on social and cultural movements and the increased dissemination of ideas and technologies.<sup>2</sup>

Recently negotiated international agreements, including the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda (AAAA) and the Paris Agreement on Climate Change, have played an important role in setting norms at the global level. The concept of policy integration can guide policy making to address challenges and foster balanced outcomes. It can also guide the application of the Sustainable Development Goals (SDGs) to national contexts. The multidimensionality and universality of the 2030 Agenda can help guide the discussion of policy solutions and provide the backdrop for discussions on how to achieve sustainable and equitable globalization. These international agreements also provide the impetus for advancing policy integration as viable instrument to address some of the challenges of globalization. However, such agreements are also subject to some of the challenges related to globalization, outlined in this paper. Rising discontent with globalization and international frameworks may result in governments, which are subject to the political cycle, deciding to take a distance, or withdraw, from such multilateral agreements. Coordinated, international efforts are required to solve global challenges and, therefore, it will be important to uphold these international agreements.

There is little doubt that globalization can be a positive force for development and human wellbeing. To ensure that no one is left behind by the adjustments associated with globalization, there is the need to rethink the role of existing frameworks and new approaches to globalization, including the elaboration of policy approaches that are geared towards a more equal sharing of benefits. This paper will present emerging and current challenges in the realm of globalization and explore proposals in six policy areas to foster a more sustainable and equitable globalization. This will include an analysis of globalization, its costs and benefits and its effects on developed and developing countries. The paper will elaborate on the institutional structures in place at all levels and their characteristics and ability to provide a normative framework for the advancement of economic globalization, including a conceptualization of the role of the 2030 Agenda and other international agreements in acting as a roadmap for the future. This aspect will be further explored by examining the features

<sup>1</sup> Ruggie (1993).

<sup>2</sup> Dreher et al (2008).

of the post-WWII order based on trade and financial liberalization and its effect on States and citizens. The analysis will also seek to raise issues critical to the success of this development model in advancing economic interdependencies and the fault lines that have been unmasked over the past decades that have weakened the ability of globalization to provide benefits to all.

## **II** The changing context of globalization and multilateralism

Globalization is not a new phenomenon, and has impacted peoples and societies for more than two centuries. Globalization has had several waves, the latest of which started in the aftermath of World War II, when a large part of the prevailing norms and current governing institutions were established.

There are a number of views and approaches to globalization as a historical concept. One line of thought maintains that globalization represents a cyclical process of phases of increased international integration followed by phases in which national economies recede from integration and move in the direction of autarky. Building on a quantitative analysis of historical data on international trade, this approach identifies three major waves of trade globalization: (i) a nineteenth-century wave, which started around the 1830s, peaked around the 1880s and declined until 1905; (ii) a smaller middle wave starting from about 1905, interrupted by World War I, continuing to the economic crash of 1929, and then descending to a low point in 1945 at the end of World War II; and (iii) a third wave that started in the aftermath of World War II, lasting through today.<sup>3</sup> An increasing number of authors have been talking about a new, current wave of globalization, which would have started in the 1980s and would be characterized by a much faster pace of global interactions, with technology playing an amplifying role.

There is also evidence of the existence of a long-term trend, which supports the notion that, while having a strong cyclical component, globalization represents a continuous phenomenon. Prior to the nineteenth century, the system of trade and investment was largely characterised by a multicore structure in which several separate core regions interacted with one another at a distance. The expansion of globalization gained significant momentum in the first-half of the nineteenth century, when the system shifted from a multicore to a uncore structure in which all the major core states had direct contact with one another.

The advent of the third wave of globalization was supported by efforts of world leaders to create international institutions that would underpin a new global order following the end of World War II. The fresh memories of the war instigated leaders to embrace social concerns with particular resolve. The post-WWII era in developed countries was thus characterized by a social contract forged between States and their people by which they implicitly agreed on sharing the prosperity being generated in this fresh wave of globalization more evenly throughout society, conciliating capitalism with inequality concerns. This arrangement has been referred to as “embedded liberalism”.<sup>4</sup> The political will seemed on set to cast strong foundations for a new, fairer and peaceful international order.<sup>5</sup>

---

<sup>3</sup> Chase-Dunn et al (2000).

<sup>4</sup> Ruggie (1982). In order to avoid the consequences of the nineteenth century liberal order, the compromise of the embedded liberalism was creating compatibility between multilateralism and domestic stabilization. Policy makers at the time tried to achieve this compromise through the architecture of the Bretton Woods institutions and international trade (through GATT).

<sup>5</sup> Nevertheless, as argued in Ruggie (1982), a central caveat of this new international order was that “[t]he compromise of embedded liberalism has never been fully extended to the developing countries”. Therefore, fairer is used here to mean a more balanced distribution of gains of globalization in developed countries.

---

In the following decades, international trade and finance blossomed. Economic growth took off and by the 1950s both Europe and the US were expanding at important rates. Across the developing world, efforts in those decades were also put in maximizing growth rates, focusing on stimulating the industrial sector and aiming at increasing productivity as a route to achieve higher levels of economic development.<sup>6</sup>

Increased demand created the need for broader markets, opening the path for liberalization of trade, soon followed by the liberalization of payments facilities, at the end of the 1950s, and the loosening of capital controls beginning in the early 1960s. Financial deregulation allowed both productive and financial capital to move increasingly more freely, propelling exchanges in both markets.

At the same time, advancements in science and technology enabled great improvements in health, as well as in transportation, energy and connectivity, among others. Technological progress boosted financial integration; at the same time, while automation invaded factories across the industrial sector, there were productivity gains on average but lower skilled workers were affected by the replacement of their jobs with machines.

As financial liberalization surpassed trade liberalization in speed and depth in the 1980s, increasing global financial integration, together with rising capital mobility, bound countries into a disinflationary constraint.<sup>7</sup> Capital mobility meant that financial agents could realize gains from differences in value of assets arising from relative prices, such as interest rates and foreign exchange rates, through arbitrage. Increased financial integration led to a loss in degrees of freedom by monetary authorities in setting interest rates aiming at taming inflation or boosting economic activity, as interest rate differentials with other economies could generate severe pressure on the foreign exchange market.

Increasing inflationary pressures in the late 1960s, and especially after the oil crises of the seventies, seriously jeopardized the post-war model of labour relations in most developed countries. Collective bargaining aiming at wage increases in line with productivity growth became increasingly economically unsustainable. In an effort to contain inflation, governments sought to shift bargaining towards more decentralized models. These changes in the bargaining process were further accentuated by the changes in the production process fostered by globalization and technological advancement, which led firms to increase managerial initiatives promoting organizational flexibility at global scale.

Several episodes of high inflation in the 70s, 80s and early 90s have shown the economic and social cost of creeping prices. The International Monetary Fund, as the provider of international liquidity and the guarantor of stability of the international financial system, sought to stabilize those countries undergoing debt or balance of payments crises by providing liquidity conditional to policy programmes, often entailing tough fiscal consolidation with deflationary effects, in what has come to be known as the Washington Consensus.

In effect, this consensus gradually institutionalized widespread rejection of inflation. While inflation caused real losses and misery, the structural programmes implemented after hyperinflation episodes, debt or balance of payments crises in the 70s, 80s and 90s also caused immense hardship. Nevertheless, the consensus around low inflation rates got progressively entrenched, and countries and institutions in the Western world became sensitive to the point of only accepting inflation rates around 2-3%. This compounds on the disinflationary constraint, which highly restricts the instruments for domestic stabilization available to policymakers, including their ability to expand the economy. Given that the disinflationary constraint is not created by a particular

---

<sup>6</sup> There are important differences across developing countries, which respond to several variables including political status and regime. These are crucial conditional variables of development models, including those related to colonization and decolonization processes, and they will be referred to throughout the paper. Nevertheless, there will be no attempt to analyze or explain the complexity of these phenomena.

<sup>7</sup> Hiwatari (2002).



---

economic crisis but rather is due to capital mobility, which is a structural feature of the system, this meant that, in fact, it was a permanent constraint faced by policymakers. The tendency to disembed<sup>8</sup> the economic and financial markets had been reinforced, as all other economic and social policy objectives became subordinate to the principle and requirements of sound finance. Indeed, policymakers are often forced to apply fiscal and monetary austerity even if doing so causes hardship.<sup>9</sup>

The 2008-2009 economic and financial crisis that originated in the sub-prime mortgage market in the United States thus came as consequence of an unlevelled playing field and mounting forces that had been developing in the previous decades and, at the same time, further exacerbated these same tendencies. Although it caused economic and social hardship and some reforms were pursued,<sup>10</sup> the crisis did not generate sufficient political will and momentum to change the status quo of economic and financial markets and “embed” them back in social and political relations, or reflect in them the principles and values of societies they operate in. Instead, the trend of disembedding has been reinforced.

In sum, the centrifugal forces that begun to develop after the establishment of the post-WWII social contract have put pressure on those societal arrangements; while globalization might not be at the root of all these developments, it has provided a key enabler for many of them. These forces include corporate restructuring due to increasing competition stimulated by growing international trade, financial deregulation and global financial integration, technological advancement, and the effective institutionalization of a widespread rejection of inflation rates above near zero figures, which led to a non-temporary shift to significantly more restrictive monetary and fiscal policies. The 2008-2009 economic and financial crisis put further pressure on those structures and unmasked the deep structural deficiencies that have prioritised the financial sector over the real economy, resulting in the most severe global economic downturn since the Great Depression. In the aftermath of the crisis, there were few, insufficient efforts to deal with the root causes of systemic imbalances in the financial system; measures to deal with the consequences of the crisis rather focused on calming financial markets. As the financial crisis’ economic consequences continued to affect countries in the 2010s, people from the middle classes in developed countries realized that they too, together with those in lower income brackets, bore the brunt of the systemic meltdown. The crisis also sparked debate on the validity of the mainstream economic thought, questioning the legitimacy of past economic policies. Nevertheless, calls for a halt of business-as-usual in financial markets and reform of the international financial architecture lost momentum when stimulus packages started to produce effects in economic activity, albeit lacking job market improvements and despite ensuing debt crises in Europe.<sup>11</sup>

The 2030 Agenda for Sustainable Development was thus adopted in the context of mounting imbalances and inequalities at the global level – between economic sectors and agents; broadening of opportunities and

---

<sup>8</sup> This is in reference to the work developed by Karl Polanyi, who asserted that economic systems were not autonomous from the organization of the rest of society. As a product of social and political relations, economic orders were endogenous to (or embedded in) those interactions and, therefore, reflected and propagated the principles and values of the societies in which they operated. See Polanyi (1944).

<sup>9</sup> Hiwatari (2002), IEO (2003a), IEO (2003b), IEO (2014), IEO (2016).

<sup>10</sup> After the 2008-09 economic and financial crisis, some progress has been made in terms of reforms designed to increase the voice and voting power of developing countries in international financial institutions. Also, the Basel III international regulatory framework was agreed almost one decade after the crisis. Nevertheless, more comprehensive reforms aiming at putting in place appropriate regulatory frameworks in financial systems are necessary to strengthen global financial stability and provide enabling conditions for sustainable development. These would need to tackle the root causes of the financial crisis and therefore would need to deal comprehensively with the new business model of financial institutions, including an assessment of risk and solvency of off balance sheet operations, review risk/reward mechanisms and provide appropriate instruments to measure systemic impacts. See Correia, Jiménez, and Manuelito (2009).

<sup>11</sup> This paper does not address the role of global governance, including the international financial architecture.

closing of minds; increasing wealth and planetary limits; citizenship and political legitimacy of economic policies; democratization of information and mass spread of uninformed doctrines and cybercrime. But the adoption of the 2030 Agenda was also an act of hope.

Globalization intensified international travel, both for business and tourism, and migration flows also increased substantially. Advances in technology allowed for better and cheaper long-distance communication and real-time exchanges of data and information, bringing people closer and promoting the sharing of ideas.

At the same time, wider access to information increased awareness of the widespread disenfranchisement which parts of the world lived in, while other parts lived in abundance. The Millennium Development Goals triggered exceptional achievements, including halving extreme poverty and the proportion of undernourished people around the world, pulling over 1 billion people out of extreme poverty.<sup>12</sup> There was a dramatic decline in preventable child deaths, one of the most significant achievements in human history. Despite these advancements, there was still much to be done to better the wellbeing of people and planet. The 2030 Agenda aimed at building on these achievements and reach beyond them, taking into account “unfinished business” and emerging demands, including the forces at play in the globalization process.

In recognition of the need for global action to address the challenges and opportunities associated with globalization, this paper conceptualizes the role of the recent international agreements, including the 2030 Agenda, the AAAA and the Paris Agreement, in tackling the challenges and leveraging the benefits of globalization in a more inclusive, balanced and sustainable manner.

### **III How globalization changed our societies: Effects and implications**

#### **A. The internationalization of production**

Since the 1970s, international trade has increased in all regions of the world, not only at absolute levels, but also as percentage of their GDP, indicating a growing importance of international exchanges in goods and services in the respective regions. In addition, the importance of developing countries in trade has increased, with developing economies contributing 41% to world merchandise trade in 2014.

Regional integration has played a significant role in advancing globalization and has been a key characteristic and backbone of the international system. Trade within economic regions has contributed significantly to overall trade, particularly in Asia and Europe, where intra-regional trade over the past two decades has accounted for around 70% and 50% of overall trade, respectively. An increasing number of Free Trade Agreements have also contributed to increased trade relations over the past decades, while also contributing to strengthened regional integration in many parts of the world.

International trade patterns are increasingly considered root causes of economic adjustment which can have both positive and negative impacts on the economic and social fabric of a country. They are thus at the very origin of discussions about the benefits and costs of globalization. International trade can be an engine of growth and there is a statistically significant link between trade and economic growth. Trade stimulates competition and innovation, may decrease inflation and often provides incentives to further international cooperation, including for foreign investment and other international agreements on mutual interests. Nevertheless,

<sup>12</sup> United Nations (2015).

furthering economic and trade openness also entails adjustments that can take time and be detrimental to specific sectors.

Most major manufacturing countries have experienced a decline of employment in manufacturing. According to the ILO, between 2000 and 2015 manufacturing employment in high income economies declined by 5.2 million, while middle income economies created 195 million manufacturing jobs in the same time span.<sup>13</sup> A study focusing on the effects of rising Chinese import competition in the United States has estimated the former to have caused a decrease in manufacturing jobs in the latter amounting to 2.0–2.4 million between 1999 and 2011.<sup>14</sup> The United States' share of global manufacturing value added decreased from 28% in 2002 to 17.2% in 2014, while Japan's fell from a peak of 21.3% in 1993 to around 7% in 2014, and Germany's decreased from 10.4% to 6.5% between 1992 and 2014. These declining trends resulted from the rapid increase of manufacturing activity in emerging economies, particularly China.<sup>15</sup>

These trends reflect adjustments of the production patterns at the global level, pushing more industrialized countries to specialize in activities demanding highly skilled workers, concentrating in highly technical industries and services, and granting rapidly growing countries competitive advantage in labour intensive manufacturing activities. Some studies have also found the trend of deindustrialization in developing countries, as a consequence of a specialization in services. While part of this trend may respond to increasing value added of services in gross exports in the context of global value chains, it also raises concerns for the perils of “premature deindustrialization”.<sup>16</sup>

In addition, adjustments in labour markets have often proven to be very slow, with employment offsetting within and across industries difficult to materialize and wages and unemployment rates at the local level showing high persistence, at times remaining elevated for at least a decade.<sup>17</sup>

While trade has played a role, the decline in manufacturing jobs has been due significantly to rapid productivity growth, spurred by technology.<sup>18</sup> Studies have argued that the reduced demand for labour relates to improved labour productivity.<sup>19</sup> Technological advancement has allowed improvements in production processes that have made some tasks redundant. Moreover, as new information and communication technologies were increasingly adopted at a fast rate, they have spread their scope across the global economy, increasing relative demand for medium and high skilled workers and decreasing that of low skilled workers. There is evidence of growing dispersion of productivity between leading firms and those less technologically advanced, within countries and sectors,<sup>20</sup> which provides an explaining factor to the unequal conditions in the labour market for different groups according to their skills. Indeed, labour productivity has been increasing at the global level for almost three decades. Nevertheless, real wage growth has not kept up with advances in productivity, the gains of which have benefitted holders of capital instead of workers, which has been a key driver of inequality, as described later in this chapter.

---

<sup>13</sup> ILO (2016b).

<sup>14</sup> Acemoglu et al. (2016).

<sup>15</sup> Levinson (2016).

<sup>16</sup> Rodrik (2013) and (2015), Kenny (2014).

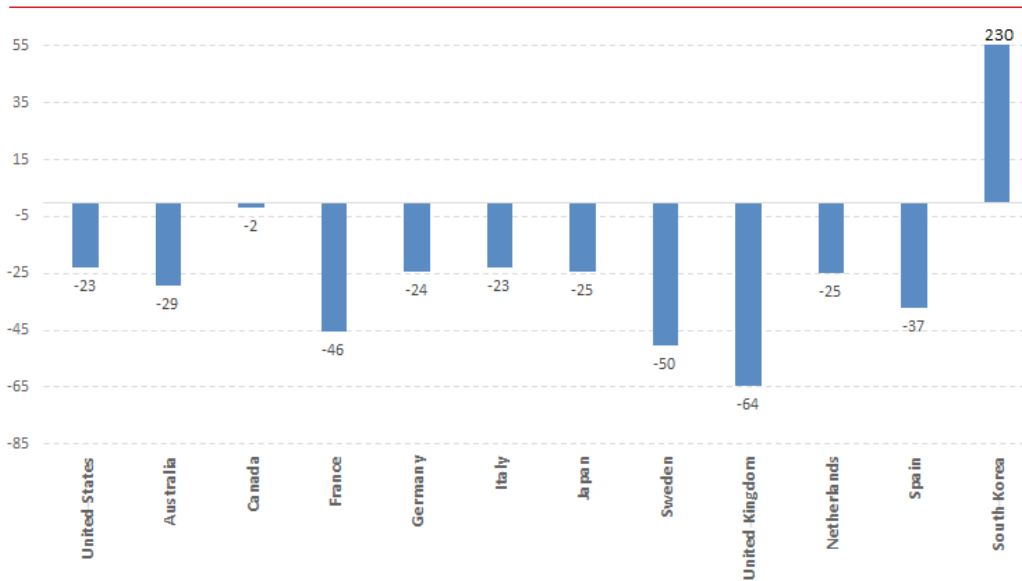
<sup>17</sup> Autor et al (2016).

<sup>18</sup> Lawrence and Edwards (2013).

<sup>19</sup> Levinson (2016), OECD (2016).

<sup>20</sup> OECD (2016).

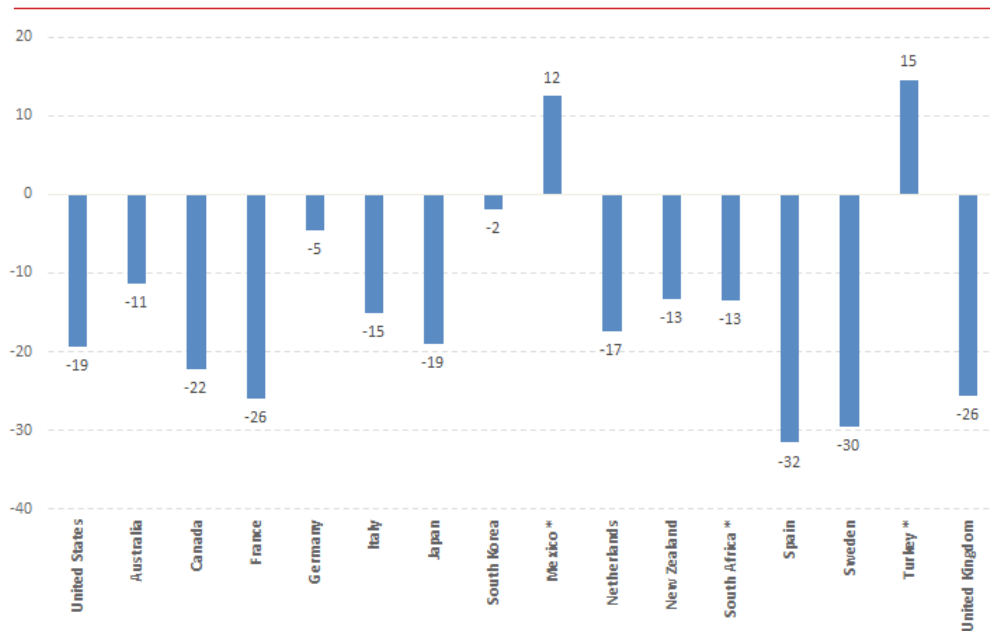
Figure 1  
Cumulative change in manufacturing employment, 1970-2013



Source: The Conference Board, "International Comparisons of Annual Labor Force Statistics," 2014, Table 1-19.

Note: For France, the cumulative change refers to the period 1971-2013; for the Netherlands, 1973-2013; and for Spain, 1977-2013.

Figure 2  
Cumulative change in manufacturing employment, 2001-2013



Source: The Conference Board, "International Comparisons of Annual Labor Force Statistics," 2014, Table 1-19.

Note: For Mexico, the cumulative change refers to the period 2005-2013; for South Africa, 2008-2013; and for Turkey, 2006-2013.

The growing fragmentation of production across borders has important policy implications, highlighting the importance of investing in training, productive capacity and infrastructure, and of having open, rules-based, predictable and transparent international trade and investment systems.

## B. Labour markets

Globalization has been reshaping the relations between those who demand and those who supply labour in significant ways. In so far as globalization has been an important factor behind the decline of the bargaining power of labour, it ultimately has significant direct or indirect impact on the quality of jobs and remuneration. Globalization has been linked, directly and indirectly, to several trends, including changing labour relations and production patterns as well as non-standard forms of employment.

### *i. Globalization, labour relations and institutions*

Collective, or inclusive, bargaining, conducted between unions and employers' organizations, including governments, received significant public policy support in the post-WWII, but has come under pressure in many countries since the 1970s and, after some respite in the 1990s and 2000s, experienced renewed stress after the financial crisis of 2008-2009.<sup>21</sup>

At the same time, union membership rates experienced a long-term decline. The decline in the prevalence of unions, also called union density, and in the coverage of collective bargaining, combined with the mounting competitive pressures on smaller firms, have tended to weaken the bargaining power of workers over income distribution.

The experience of some developing countries in terms of labour movement has been fairly different from that of developed countries, due to the particular socio-economic and political characteristics prevailing in each of them. At the onset, the lack of freedom of association that prevailed in many countries in the 1950s through the 1970s prevented workers from organizing themselves through trade unions. Independence from colonial rule and the transition from dictatorship to democracy allowed the proliferation of unions, although this tended to be accompanied with fragmentation of the union landscape.<sup>22</sup> Another major challenge for the organization of workers in developing countries is the size and importance of the informal economy. This meant that workers in developing countries presented increased vulnerabilities to and less protection against added pressures created by the globalization forces that tilted the playing field of relative power between labour and capital, with important consequences in terms of quantity and quality of jobs, and distribution of income.

Labour organizations across the world face formidable challenges. Because of the phenomenon of trans-nationalization of production, they need to establish structures and negotiation systems that go beyond the local and national level. Those structures need to be more inclusive, to embrace the most vulnerable and often exploited groups, such as migrants and workers engaged in non-standard forms of employment, both formal

<sup>21</sup> Countries in which collective bargaining coverage remained stable or increased are those that supported inclusive collective bargaining through a range of policy measures. These include lowering thresholds for extension and introduction of public interest considerations (e.g. proportion of non-standard workers, migrants or vulnerable workers), developing framework agreements facilitating articulation of issues across different levels, introducing conditional derogation clauses allowing opt-outs by way of negotiated agreement, among others. See ILO (2015b) for a detailed account.

<sup>22</sup> It should be noted that within developing countries there are diverse experiences regarding labour movements and labour relations. The ILO flagship reports and the International Labour Review have thoroughly documented these matters throughout the years. For example, Latin America has long history of labour organizations and social State. Nevertheless, often unions were structured following a model of authoritarian corporatism, under which such organizations were vertical and created by an authoritarian State. In such cases, unions were seen to abide by the decisions of the State and its elites more than representing the interests of their bases. See, for example, Schmitter (1974), Cecchini et al (2015).

## Box 1

**Mechanization and Artificial Intelligence: Impact on globalization and the Sustainable Development Goals**

Robots and mechanization using Artificial Intelligence (AI) are transforming the world of economic production and are increasingly influencing the social, economic and cultural spheres of peoples' lives. Currently, the most significant changes occur in the area of automation and augmentation. The scope for mechanization and robotics to replace human labor in nearly all economic sectors, particularly manufacturing, is immense and no tale of the future. Studies by the Mc Kinsey Global Institute have shown that to the equivalent of 1.1 billion jobs could already be automatable using readily available technologies in 2017.<sup>a</sup> While high-tech sectors are expected to benefit from these shifts, estimates of global job losses due to robotics and digitalization range from 2 million to as high as 2 billion by 2030.

Nevertheless, new technologies in the realm of AI and automation also carry significant opportunities with regards to sustainable development and the achievement of the 2030 Agenda. GDP gains from AI are expected to be up to 16 trillion USD by 2030, more than half of which is expected to be realized through productivity gains. While these gains will benefit countries across the globe, some countries, particularly those with a strong existing manufacturing base, including China and several developed countries, will benefit the most from this trend. Additionally, AI is supporting SDG achievement by fostering innovation in areas such as healthcare, agriculture and industrial development, among others.

However, there are also important challenges that need to be addressed. Countries that lack access to such technologies are at risk of being left behind. AI also raises important ethical and legal issues that need to be considered. In order to ensure that AI enables human wellbeing, international standards and codes of conduct for AI are needed based on the principles of accountability, responsibility and transparency. The UN has an important role in developing normative frameworks that can act as catalysts for AI as force for good.

<sup>a</sup> McKinsey Global Institute (2017).

and informal. These new structures will need to be context-specific and inclusive of the perspective of workers not only from developed countries but also from developing countries, as well as of a gender perspective.<sup>23</sup>

## *ii. Globalization, informality and non-standard forms of employment*

Millions of people around the world make a living in the informal economy. The informal economy comprises diverse workers and entrepreneurs who are either not recognized or protected under national legal and regulatory frameworks.<sup>24</sup> Informal employment remains widespread in many developing countries, which hinders

<sup>23</sup> Bieler et al. (2010). Examples of coordination of national collective bargaining across borders are the case of the European Metalworkers' Federation (see e.g. Schulten (2005) and Pulignano (2010)) and the Asian Floor Wage campaign (<http://asia.floorwage.org/>, Merk (2011)). Also interesting is the ACT initiative: <http://www.ethicaltrade.org/act-initiative-living-wages>, see ILO (2016c).

<sup>24</sup> Charmes (2015) defines the informal economy to be "comprised of micro-enterprises operated on a small scale by individual entrepreneurs, as well as of producers for own-account and paid employees who are not covered or not contributing to social security. It should not be confounded with the so-called "shadow" or "illegal" economy. Statistically speaking, employment in the informal economy is comprised of: i) employment in the informal sector of micro-enterprises (operating under a certain size threshold in term of number of paid employees or number of workers, and registered or not, depending on national definitions), ii) informal employment outside the informal sector, itself comprised of: a) informal employment in the formal sector, i.e. paid employees not covered by social security, b) domestic workers not covered by social security, c) employment in production activities for own final use."



poverty reduction efforts. Informality is present in both developed and developing countries and is of major economic, social and political importance in all of them.

Growing international competitiveness coupled with the spread of information and communications technologies has led to increasing flexibilization and informalization of production and employment relationships.<sup>25</sup> In particular, global value chains, as part of cost-cutting measures and efforts to enhance competitiveness, started to increasingly operate with a small core group of regular wage employees combined with a growing number of workers under “non-standard” types of contract in different locations. Consequently, in addition to other factors such as social dynamics and regulatory changes, non-standard forms of employment (NSE) have proliferated. Burdensome regulatory frameworks or those allowing for misinterpretations or gaps have encouraged the use of NSE.<sup>26</sup> Some of such gaps have resulted from the weakness of collective bargaining in countries where collective agreements had previously been the dominant form of regulation.<sup>27</sup>

NSE are also present in formal employment. For example, in developed countries, temporary, part-time and telecommuting workers are normally covered by labour and social security legislation, although remuneration may be lower and the prospects for career advancement, training or skills enhancement more limited than for regular full-time workers. Conversely, casual workers, subcontractors and agency workers often do not have labour and social protection.<sup>28</sup> Likewise, in many developing countries, home-based workers, workers in sweatshop production, and work done by outworkers or casual workers, while very common, is often not recognized or protected by labour law or covered by social protection. Informality is associated with scant job security, lower remuneration and poor working – if not living – conditions, offers limited, if any, social benefits, and displays high persistence, hindering social mobility.

Both formal and informal NSE increase workers’ vulnerabilities in areas beyond income, as recognition and protection under legal and regulatory frameworks is onerous or absent altogether, hindering the exercise and defence of workers’ basic rights.<sup>29</sup> These poorer quality jobs are most pronounced among more vulnerable social groups, including women and young workers. Widespread use of NSE, whether formal or informal, may reinforce labour market segmentation and lead to greater volatility in employment with consequences for economic stability.

At the same time, high informality may reduce competitiveness of an economy due to their low productivity.<sup>30</sup> While some observers argue that the flexibility inherent to informal firms allows them to produce innovative entrepreneurs, in particular in some developing countries, helping to boost economic growth in those economies, evidence shows that informal firms and those that use more NSE tend to underinvest in

<sup>25</sup> ILO (2002), Jütting and de Laiglesia (2009).

<sup>26</sup> The ILO groups NSE into four different categories. These are: a) temporary employment, including fixed-term contracts, seasonal work and casual work; b) part-time and on-call work, including normal working hours fewer than full-time equivalents and marginal part-time employment; c) multi-party employment relationship (also known as “dispatch”, “brokerage” and “labour hire”), including temporary agency work and subcontracted labour; and d) disguised employment and/or dependent self-employment, including sham or misclassified self-employment.

<sup>27</sup> ILO (2016a).

<sup>28</sup> Jütting and de Laiglesia (2009) noted a growing tendency in the OECD countries to use “false self-employment”, whereby individuals sub-contract every day to the same employer, voluntarily or not, and in this way operate as self-employed contractors to bypass the legal requirements of a normal working relationship. This would fall into informal employment as well as NSE.

<sup>29</sup> ILO (2013), Jütting and de Laiglesia (2009).

<sup>30</sup> This low productivity results from the small size of informal firms, their limited access to inputs and their difficulty in engaging in formal business relationships. See Jütting and de Laiglesia (2009) for a discussion.

training, both for temporary and permanent employees, as well as in productivity-enhancing technologies and innovation.<sup>31</sup> Therefore, while there may be some short-term flexibility gains from using NSE, including informal employment, in the long run these are likely to be outweighed by productivity losses.

A high prevalence of informal employment is associated with lower national economic performance. Countries with large informal economies are more vulnerable to economic shocks and are hit by shocks more often, leading to lower sustainable growth rates. These effects lower the potential benefits these countries could derive from international trade. Indeed, evidence shows that informal labour markets have weakened export performance in developing countries.<sup>32</sup> In addition, prevalent informality reduces the States' ability to collect fiscal revenues and, consequently, hampers national capacity to develop social security systems. Reduced tax bases also diminish domestic resources available for national development strategies. Consequently, high informality rates and NSE not only have an adverse impact on poverty, social equity and income distribution but can also hinder growth and international competitiveness.

Given the negative impact of NSE and, in particular, informality both at the individual level as well as on national economies, it is worrisome that informal employment constitutes a significant proportion of the world's labour market, and a growing one. Moreover, not only has economic growth not hindered informal employment, but also informality has tended to increase worldwide as economies have moved towards greater market integration.<sup>33</sup> Informality reflects a lack of trust in public institutions, and it is a sign of a broken social contract.<sup>34</sup> Therefore, while reducing informality is a difficult quest, it can only be possible through building trust between citizens and lawmakers; only then can the State enforce a low regulatory burden and citizens become more democratically involved and uphold the rule of law.

### C. Poverty, inequality and globalization

There is a clear link between the quality of employment and poverty: in emerging and developing countries, extreme poverty is three times higher for workers in precarious employment than for wage and salaried workers; similarly, in developed countries, workers in vulnerable employment conditions are more likely to be poor than those with stable jobs.<sup>35</sup>

After two decades of significant reductions in working poverty rates, progress has slowed since the 2008-2009 financial crisis, and in developing countries the absolute number of working poor has recently started to rise.<sup>36</sup> This reflects the increase of more vulnerable forms of employment, and goes hand in hand with the widening inequality experienced in recent years. If such trends continue, eradicating poverty, the main goal of the 2030 Agenda, will be jeopardized and, since all SDGs are interlinked, the entire 2030 Agenda will be compromised.

Economic expansion coupled with policies for wealth redistribution in the context of the social contract reached in the post-WWII period led to a significant expansion of the middle-class in the developed world. But this proportion has been decreasing, due to deteriorating welfare for a growing number of them.<sup>37</sup> What has been observed is that the strengthening of globalization has coexisted with forces that have been pushing

<sup>31</sup> ILO (2016a).

<sup>32</sup> Bacchetta et al. (2009).

<sup>33</sup> ILO (2002), Jütting and de Laiglesia (2009), Charmes (2012).

<sup>34</sup> Jütting and de Laiglesia (2009).

<sup>35</sup> ILO (2017).

<sup>36</sup> ILO (2017).

<sup>37</sup> See e.g. Gabler (2016).



lower skilled workers downwards and higher skilled workers upwards, and “out of a middle class that had for a few decades been home to both”<sup>38</sup>. As a result, social discontent has been growing. The recent rise of populist parties that advance protectionist and nationalist agendas indicate that popular discontent with globalization has become an important social event in developed countries, with political consequences.

Trade openness, economic growth and poverty alleviation policies have also led to a substantial expansion of the middle class in developing countries, where it continues to expand. Nevertheless, the middle class in developing countries is highly heterogeneous, including very diverse brackets of income. In these countries, the importance of belonging to the middle class is more linked to the opportunity to access higher levels of consumption than a unifying social force around the consciousness of having similar conditions, as is more frequently the case in developed countries. Therefore, the growth of middle classes in developing countries appears to do little to address prevailing inequalities.<sup>39</sup>

Over the past decades, globalization has advanced in sync with increasing inequalities within a majority of countries. While several countries in Latin America have managed to close gaps between income brackets, most countries across the globe have been faced with rising Gini coefficients. In fact, most developed countries have seen Gini coefficients rise between the 1980s and 2008. Over the past decade, inequality in some countries has been rising further in the aftermath of the 2008-09 economic and financial crisis, while plateauing at elevated levels in other countries.

One important trend has been the increase of wage inequality. This increase in inequality has not been determined solely by differences in productivity among workers, or skills-related characteristics, but by an additional set of socio-economic factors, including: gender, enterprise size and economic sector, type of contract and age, among others.<sup>40</sup> In most countries, wages increase more or less gradually across the wage distribution and then jump sharply for the higher 10% and, in particular, for the highest-paid 1%. Greater wage inequality is frequently correlated with greater household income inequality and declining labour shares.

Studies have highlighted several links between globalization and inequality, including the increasing divergence between income from high-skilled and low-skilled employment in developed countries, rising relative returns to capital share as well as an unbalanced and unequal globalization of trade and finance. Krugman (2008) has argued that international trade accounts for a large share of increased wage inequality in the United States in the 1990s and 2000s. Others have argued for skill-biased technological change as the main cause of growing wage inequality.<sup>41</sup> Several studies show that many developing countries that liberalized trade in the 1980s and 1990s saw wage inequality rise.<sup>42</sup> Kapstein and Milanovic (2002) and Barro (2000)’s research for a range of countries observe a positive relationship between openness and inequality for low-income countries and a negative one for high-income countries. Li, Squire and Zou (1998), White and Anderson (2001) and Garrett (2001) argue that the impact of globalization on inequality depends on the way globalization is measured. Lindert and Williamson’s (2001) study highlights that, while this causality between globalization and inequality was too small to be measured at the aggregate global level, there is evidence that within OECD countries globalization has contributed to widening wage gaps and increased wage inequality, particularly in the UK and the US.

---

<sup>38</sup> Schoppa (2002).

<sup>39</sup> For a study of middle classes in UNECLAC (2010).

<sup>40</sup> ILO (2016c).

<sup>41</sup> See e.g. Berman et al (1998), Autor and Katz (1999).

<sup>42</sup> Harrison and Hanson (1999), Wood (1997), Goldberg and Pavcnik (2007).

There is continued debate on the drivers for widening wage gaps, including globalization and technological change. Globalization has spurred adjustments in labour markets in developed and developing countries, particularly by altering the bargaining power of workers. Trade openness has improved the mobility of capital relative to labour and, concomitantly, the bargaining power of the latter has declined. In developed countries, there is evidence of a small but statistically significant impact of trade openness on the wage share<sup>43</sup>, with the negative link more pronounced among low-skilled workers.<sup>44</sup> This is usually associated with increased competition between countries, leading to a downward pressure on wages.<sup>45</sup> In developing countries, the evidence is more mixed.<sup>46</sup>

In addition, there is a consistently negative relationship between the wage share and financial globalization in both developed and developing countries.<sup>47</sup> In developed countries, there has also been increased pressure on firms to maximize dividends for distribution to shareholders, to which firms respond by adopting restrictive employment and wage policies. The decoupling of productivity and wage growth is one of the relationships in which this trend has manifested itself, depicted in chart 3 for the case of the United States. As it is shown in this chart, productivity gains decoupled from worker's compensation in the early 1970s, no longer advancing in sync as in the previous decades. This suggests that productivity gains have predominantly benefitted capital owners rather than workers. Other developed countries have faced similar trends. In developing countries, studies have linked the negative relationship between the wage share and financial globalization to the fact that the cost of financial instability created by volatile capital flows has fallen disproportionately on labour.<sup>48</sup>

Over the past decades, there has been a consistent downward trend in the labour share of income, which has been observed both in developed and developing countries. Chart 4 below depicts the fall in labour shares across developed countries. The increase in capital shares was spurred by profits accumulated by the financial sector and the fact that profits in the non-financial sector in developed countries have increasingly been invested in financial assets instead of “real economy” investments. Wage stagnation in some developed countries also created the conditions for consumer spending based on debt, which was at the core of the 2008/09 financial crisis.

One additional factor contributing to rising inequalities among individuals and corporations has been taxation — an area in which those with bargaining power have been able to lobby for selective tax reductions. While illegal in some instances, the lack of comprehensive national legislation as well as global governance structures on taxation has created loopholes for those able to exploit them.

<sup>43</sup> The labour share of income, also known as wage or labour share, is the part of national income allocated to labour compensation, while the capital share is the part allocated to capital. The labour share is calculated as the total compensation of employees, i.e. wages and salaries before taxes plus employers' social contributions, as a percentage of gross value added, gross national income (GNI) or gross domestic product (GDP). For a discussion, see ILO (2011), ILO and OECD (2015).

<sup>44</sup> See e.g. ILO (2011).

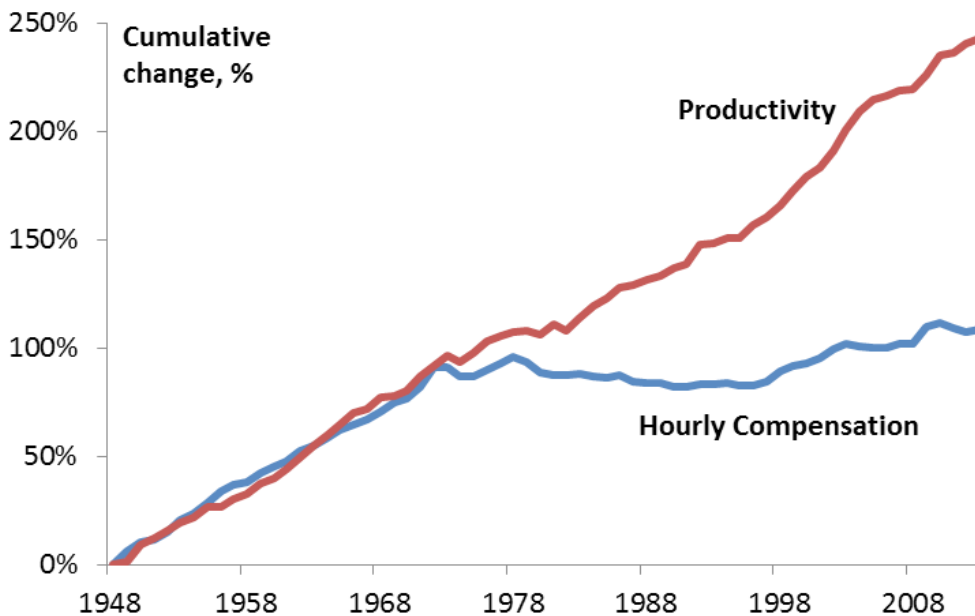
<sup>45</sup> There was some debate in the WTO on whether lower standards for labour rights lent unfair export advantage to the countries where those standards were present, but the issue was never addressed formally within the WTO agreements. While members of the WTO reaffirmed their commitment to recognize core labour standards they stressed these should not be used for protectionism and encouraged the WTO and ILO secretariats to continue their collaboration on these issues. No dedicated committees or working parties were created to deal with the subject, and members stressed that the economic advantage of low-wage countries should not be questioned. [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/bey5\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/bey5_e.htm)

<sup>46</sup> For a discussion, see ILO (2011).

<sup>47</sup> ILO (2011). In developed countries, financial globalization is measured as the sum of foreign assets and liabilities as a share of GDP, while in developing countries, it is measured as the degree of financial account openness.

<sup>48</sup> Ibid.

Figure 3  
**Growth in productivity and hourly compensation in the US, 1948-2013**



Source: Economic Policy Institute.

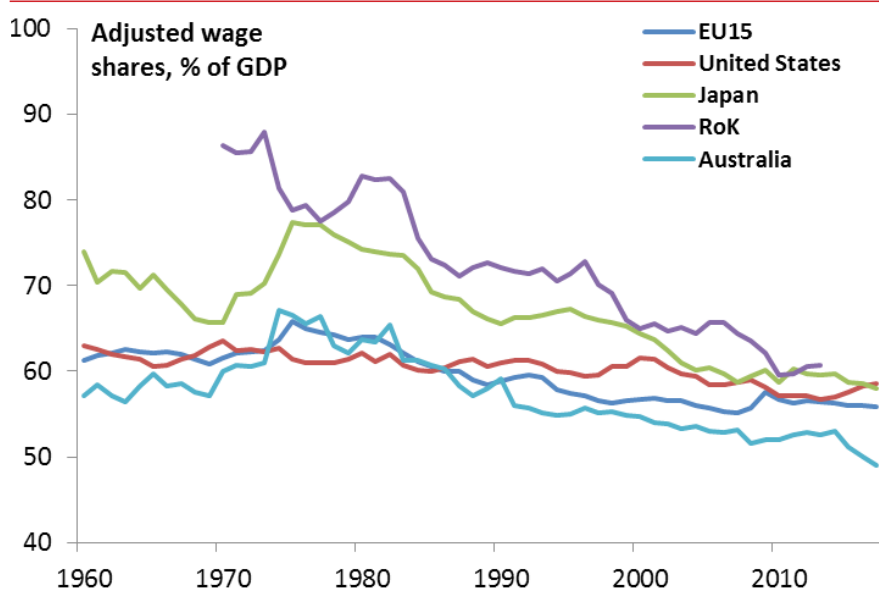
A popular view of globalization tends to equate it with free markets with minimal regulation. Nevertheless, evidence shows that there is positive correlation between trade openness and government spending and that the most successful cases are those in which increasing trade and capital mobility were accompanied by greater income transfer programmes.<sup>49</sup> Government spending plays a significant role in mitigating risks stemming from the dynamics of globalization.

Factors such as the disinflationary constraint, the structural adjustment programmes applied in result of balance of payments and debt crises in both developing and developed countries, as well as demographic trends, have hindered States' capacity to undertake national policymaking in a significant way. Areas such as social security and training programmes have been regarded as taking up too many resources in times of recession and saw their budgets weakened, often permanently. Efforts were made to privatize areas of services regarded as public goods and, as such, commonly provided by the State – such as education, basic health care, including emergency, maternal and child health care, and basic infrastructure, in particular drinkable water. Pressure for the privatization of the welfare State, which was felt at the domestic level but also in the context of the General Agreement on Trade in Services (GATS) of the WTO, has triggered discussion of public sector efficiency as well as societal values.<sup>50</sup> Demographic trends have also contributed to the pressure on the welfare State in developed countries, where population in general is aging, while the vast majority of the developing countries are still benefiting from demographic dividends, particularly in Africa and Latin America.

<sup>49</sup> Rodrik (1996), ILO (1997), Pierson (2004), UNRISD (2010), Ortiz and Cummins (2011).

<sup>50</sup> ILO (1995). Whal (2010) analyses the case of Norway.

Figure 4  
Adjusted wage shares of selected countries % of GDP



Source: Goodhart and Erfurth (2014), AMECO database. Note: RoK stands for Republic of Korea.

Fiscal policies, in the form of taxes and transfers, as well as progressive taxation systems, are vital to address wage and income inequality. Reforms to address tax avoidance and evasion are also important for closing gaps and grey areas in the law and regulation frameworks, while increasing resources for policymaking. Although many countries have expanded their social protection systems, a large share of the world's population still remains without health insurance and old-age benefits, and an even larger proportion lives without child and family benefits and protection in case of unemployment, disability, work injury or maternity.<sup>51</sup>

There is no substitute for national policymaking. Globalization requires a strong backing of a set of national policies that can better distribute the gains and the losses from structural adjustments and dynamic trends, which are more effective in a framework of international cooperation. Globalization, therefore, has not dismissed policymaking at the national level; on the contrary, it has enhanced its prominence. In addition, the new globalized context has added importance to international coordination and the creation of global normative and institutional frameworks that assure consistency, sustainability, universality, inclusiveness and accountability at all levels – national, regional and international.

#### D. Global imbalances and the international economic system

The focus on global inequalities has also been analysed from the point of view of current account imbalances. Higher saving rates in developing countries often failed to foster domestic investment, as funds were instead invested in financial instruments in developed countries. This is due to both structural inefficiencies as well as for stability purposes. As the international financial system is increasingly volatile and bail-out agreements entail tremendous hardship, countries have decided to increase their foreign exchange reserves in order to have

<sup>51</sup> ILO (2016c).

more of a cushion where to fall on in case of a financial or debt crisis. In turn, this inefficiency of the system has given the issuers of major international currencies the opportunity to finance their external deficit by absorbing a large share of global savings<sup>52</sup>. This trend has moved capital away from the development financing needs of developing countries, thereby widening income gaps between rich and poor countries.

While the past decades have seen some convergence among countries, as measured by GDP per capita, inequalities among countries remain high. Although some countries, in particularly in Asia, have been able to outpace economic growth in developed countries, other countries have not been able to overcome structural and institutional hurdles in their quest to catch up to advanced economies. While economic issues have explained some of this divergence, other factors, including conflict, natural disasters and other challenges in the social and environmental spheres have also played an important role. Particularly the effects of climate change, which are highlighted later in this paper, have disproportionately threatened economic and social prosperity in some developing countries.

As this paper has highlighted, deeper economic integration at the global level has not been accompanied by a corresponding strengthening of the institutional framework embedding the global economy. This has led to an unequal distribution of the costs and benefits of globalization across the globe. Trade agreements, for instance, have often been perceived as being unbalanced, providing market access to multinational corporations and developed country producers, while limiting access to developed country markets to products from sectors dominant in developing economies, including agricultural products. Global financial institutions have also been in the spotlight of criticism for perceived overreach in tying assistance to structural and trade reforms, seen as disadvantageous for developing countries.

Deficiencies in global tax regulations have allowed individuals and corporations to exploit loopholes to their benefit, to the detriment of countries, in particular developing countries that more heavily depend on tax revenue from natural resource extraction and other areas of foreign investment. The institutional framework, or lack thereof, has also disproportionately exposed developing countries to financial shocks, which have led to a reversal of financial flows and sparked financial crises, such as during the Asian financial crisis or the debt crises in the 1980s.

### *i. Multinational corporations*

Multinational corporations are important players in the globalized world. The increasing openness of borders and increased facilitation of payments have paved the way for multinationals' growth while, by extending their operations, they have played a central role in the acceleration of globalization themselves. Multinationals translated economic competition models into practice, operationalizing global value chains and decreasing prices of final goods to consumers worldwide. Multinationals also provided a channel for dissemination of technological progress and investment across borders and, at times when financing from international financial institutions was scarce – as, for example, in their initial expansionary phase in the 60s and 70s – these flows provided alternative development funds that proved to be more accessible. After a period of prominence of official development aid, since the beginning of the 2000's private finance – including workers' remittances, direct investment, and other private flows – regained relative importance in the structure of international

---

<sup>52</sup> Correia, Jiménez, and Manuelito (2009).

finance of developing countries.<sup>53</sup> This trend is expected to continue, given the need to find new and innovative sources of finance for sustainable development and achieving the SDGs.

Nevertheless, the way multinational corporations conduct their operations has attracted significant criticism. At the same time, such operations have become so immense in scope and volume that they affect “the daily lives and fortunes”<sup>54</sup> of an increasing amount of people and, indeed, countries. It is thus important to consider the political significance of multinationals and their global operations, as well as their impact on the “emerging global public domain”<sup>55</sup>. The latter is important because the public interests that populate the global public domain are not confined by borders and thus cannot be dealt with exclusively by individual countries or the public sector alone. This highlights the importance of global governance structures able to foster the protection of international standards through norms and regulations, in particular those pertaining to human rights and the provision of global public goods. In the absence of global standardised regulation, multinationals could either foster a “race to the bottom” where they locate their activities to less regulated areas, or they could self-regulate above what is required of them and promote human and labour rights, and good environmental practices.

The issue of labour standards and rights, involving multinational corporations in developing countries was brought to the limelight through the “sweatshop” scandals of popular brands, particularly in the garment industry<sup>56</sup>. These scandals gave rise to calls by civil society to increase regulation and supervision of their operations, also calling for governments in developed countries to promote labour and human rights standards globally. Some civil society organizations were created to that effect; many dedicated to understanding local realities and the way to harmonize standards uphold rights, while increasing living standards for local communities. The companies established corporate social responsibility norms and practices, an area that has taken on increasing importance with globalization.

Furthermore, increased awareness of multinationals’ environmental footprint, evidence of environmentally damaging practices by multinationals in developing countries<sup>57</sup> and campaigns by civil society have led to calls for governments to provide fiscal and regulatory measures that encourage environmentally-friendly behaviour, with some believing that only with such measures in place will firms adopt cleaner production technologies.<sup>58</sup> However, in addition to corporate social responsibility initiatives, an increasing number of firms are voluntarily adopting environmental responsibilities. Such pledges focus on cutting greenhouse gas emissions, reduce deforestation, minimize waste and adopt sustainable water policies, among others.<sup>59</sup> Additionally, several private standards and certification schemes have been launched with the aim of reducing the environmental footprint and increasing the sustainability of production through private standards and

<sup>53</sup> Alonso (2012),

<sup>54</sup> Ruggie (2004).

<sup>55</sup> Ibid.

<sup>56</sup> For example: Gap in El Salvador in 1995: <http://www.globallabourrights.org/alerts/leading-human-rights-groups-blast-gap-cover-up-in-el-salvador>, <https://nacla.org/article/gap-and-sweatshop-labor-el-salvador>; Walmart, Hanes and others in Honduras in 1996 (and in Bangladesh in 2006): [http://www.law.harvard.edu/programs/lwp/NLC\\_childlabor.html](http://www.law.harvard.edu/programs/lwp/NLC_childlabor.html), <https://philosophia.uncg.edu/media/phi361-metivier/readings/Maitland-Great%20Non-Debate.pdf>; the collapse of the Rana Plaza in Bangladesh in April 2013: <http://www.globallabourrights.org/campaigns/factory-collapse-in-bangladesh>.

<sup>57</sup> Namballa (2014).

<sup>58</sup> WTO and UNEP (2009).

<sup>59</sup> UNEP (2016a), UNIDO (2015).



certification schemes.<sup>60</sup> The importance and impact of private standards and certification is expected to grow in the coming years, owing to greater consumer awareness and knowledge of the impact of their choices.<sup>61</sup> Nevertheless, while the private sector can and should have a positive impact through setting voluntary standards, independent evaluation and review will be essential to ensure the stated objectives coincide with best practices, overall sustainable development strategies and goals and implementation.

Similarly, foreign direct investment (FDI) and financial flows have increased exponentially in recent years. In 2012, inflows of FDI into developing countries outpaced for the first time those to developed countries, highlighting the importance of cross-border investments in the former.<sup>62</sup> The ultimate impact of these flows on host countries, nevertheless, depends on where and how investments are made. Whether FDI is directed towards green sectors and facilitating efficiency improvements through innovation and technology, or towards pollution-intensive industries, matters, as it does if it embeds social objectives, giving due consideration to water constraints or traditional practices of local communities, among others. Therefore, multinational corporations, as well as multilateral organizations and global non-state actors, should align their actions with the principles and goals of the 2030 Agenda and thus become actors in and for sustainable development.

The international space in which the global actors mainly act, in particular multinationals and non-state actors, is void of an institutional framework with consistent rules that assure a levelled playing field for all. As these players' operations increase in importance, they pose increasing challenges, but they also open windows of opportunity to finding feasible, efficient, inclusive and durable solutions. It is only through multi-stakeholder partnerships and private sector engagement that the 2030 Agenda can successfully be realised. Civil society organizations and the private sector, including multinationals, have the potential to drive sustainable development forward, if practices and principles are aligned with the 2030 Agenda. It is particularly important that the principle of sustainability is included in any policy or investment decision, ensuring the integration of the three dimensions and resulting in long-term efficient solutions.

While it is up to the private sector and other non-state actors to adjust their decision-making and operational processes, it is the role of the multilateral system to define a fair, rules-based and transparent institutional framework in which global actors can operate in an inclusive and legitimate way.

## ***ii. Impact of international trade and investment agreements beyond the economic sphere***

When the WTO was established, a formal dispute settlement system was introduced for trade issues, with decisions depending on the deliberation of experts, not representatives of Member States. These decisions were to be reviewed by a single appellate body and supervised by the Dispute Settlement Body according to the understanding of the rules of procedures governing the settlement of disputes.<sup>63</sup> Nevertheless, there has

<sup>60</sup> In the palm oil sector, an initiative to ensure 100% sustainable palm oil in Europe was driven forward first by a private sector initiative (<http://caobisco.eu/public/images/actualite/caobisco-07122015163845-PR-CtoS-final-ESPOAG-3-.pdf>). Similarly, several multinational companies have voluntarily signed up to the Better Cotton Initiative, which promotes cotton that is farmed in accordance with effective use of water, no use of harmful pesticides, and minimizing harmful impacts on soil and natural habitat (<http://bettercotton.org/about-better-cotton/better-cotton-standard-system/production-principles-and-criteria/>). International certification schemes are also increasingly adopted in forestry [see FAO (2015)].

<sup>61</sup> UNIDO (2015).

<sup>62</sup> UNCTAD (2013).

<sup>63</sup> Mortimore (2006). Dupuy et al. (2010)

been no such consensus for the establishment of a similar body for the settlement of disputes on international investment agreements.<sup>64</sup>

In such agreements, there is a particular mechanism that has increasingly gathered attention by analysts and, more recently, public opinion: the investor–state dispute settlement (ISDS). This clause allows foreign investors to sue a host country, which is a sovereign State, before an arbitral tribunal if the treaty has been violated. This sort of investor-State dispute settlement allows investors to challenge government policies and measures. This has caused growing concern and criticism regarding the impact of ISDS on the capacity of governments to implement legislative and policy programs related to their national development priorities, including the protection of human rights and the environment.<sup>65</sup> ISDS are present in international investment agreements; both the United States and the European Union include ISDS in their international investment agreements, including with developing countries. ISDS can also be included in some bilateral or multilateral trade agreements; examples are the Trans-Pacific Partnership (TPP)<sup>66</sup> and the Transatlantic Trade and Investment Partnership (TTIP).<sup>67</sup> Ultimately, ISDS goes significantly beyond the economic sphere, infringing governments’ and citizens’ ability to exercise their rights and responsibilities within society. Nevertheless, citizens have no say in these agreements, and only a very limited group within a country’s democratic apparatus has influence in the actual formulation of the agreement. Therefore, as globalization becomes an ever more complex phenomenon, it impacts individuals not only as economic actors but also as citizens, with consequences related to the ability to exercise common or individual rights and responsibilities.

## E. Migration

Labour mobility is a key feature of globalization; skilled migrants move around the globe in search for better opportunities, and so do their skills and ideas.<sup>68</sup> In some developed countries, increased immigration has fuelled sentiments of a loss of national identity, often tied to disenfranchisement, rising inequality and unemployment, which have nurtured fears of social and economic marginalization.

Several reasons have been highlighted as push factors fostering migration, some of them relating closely to globalization: discontentment with the social situation and lack of job opportunities are among the major factors behind a person’s decision to migrate. Between 2009 and 2016, the share of the working-age population willing to migrate abroad permanently increased in every region of the world except for Southern and South-Eastern Asia and the Pacific.<sup>69</sup> In 2015, amid heightened socio-economic hardship and social and political unrest in parts of the world, the number of international migrants increased to a record high, at 244 million people.<sup>70</sup> When international migratory pressures increase they often give rise to social unrest or discontent in host countries as well. Such feelings often relate to a sense of uncertainty related to the current and future socio-economic situation. Moreover, problems such as trafficking in people and the exploitation of

<sup>64</sup> [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/bey3\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/bey3_e.htm).

<sup>65</sup> For a discussion on the case of Latin America, see Mortimore (2006).

<sup>66</sup> Trade agreement between twelve Pacific Rim countries: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States and Vietnam. It was signed in February 2016 and it is in process of ratification.

<sup>67</sup> Proposed trade agreement between the European Union and the United States.

<sup>68</sup> According to the World Bank, the share of skilled migrants of the total international migrants increased from about 25% in 1990 to 36% in 2000. See World Bank (2012).

<sup>69</sup> ILO (2017).

<sup>70</sup> International Migration Organization’s Global Migration Trends Factsheet.



migrant workers tend to intensify, women and girls being particularly at hazard. The latest ILO social unrest index indicates an increase of average global social unrest between 2015 and 2016.<sup>71</sup>

Climate change impacts, through droughts and loss of arable lands, are a major contributing factor to migration, especially in Africa and South America. An increase in internally displaced persons (IDPs) is also a growing phenomenon linked to climate change.

All countries stand to benefit from a safe, orderly and managed process of international migration that can enhance global productivity and eliminate exploitative practices. This has been recognized in the 2030 Agenda, in particular in Goal 10 (reduced inequalities), target 10.7.<sup>72</sup> In 2016, the General Assembly adopted the New York Declaration for Refugees and Migrants, by which Member States committed to: start negotiations leading to an international conference and the adoption of a global compact for safe, orderly and regular migration in 2018; develop guidelines on the treatment of migrants in vulnerable situations; and achieve a more equitable sharing of the burden and responsibility for hosting and supporting the world's refugees by adopting a global compact on refugees in 2018.

## F. Environmental impact and climate change

Economic globalization has created opportunities for improved welfare, by facilitating increased production and consumption. It has provided consumers with an abundance of goods and services produced far from their local economy. Similarly, it has opened up opportunities for producers, as well as small-scale farmers and businesses to reach a larger market, to specialise and expand their production. However, increased production and consumption, fragmentation of production processes and cheaper global transportation have presented challenges to the environment through increased pollution, emissions and demand for natural resources.

In order to ensure environmental quality, reduce pollution and protect the environment, the right regulations and policies will be necessary. While growth in income per capita could lead to pressures for improved environmental standards and increase the ability to take on costly measures, this relationship depends on the right institutions and policies being implemented.

Global trade and investment have been concentrated in sectors that have been at the core of environmentally unsustainable practices, including in primary resource extraction, agriculture, waste management and other sectors. Through increased extraction and production, as inherent parts of economic globalization, economic activity can lead to environmental degradation and potentially to the exhaustion of certain natural resources. This is in a large part due to the pricing of resources often not taking into account the environmental cost, thus leading to undervaluation.<sup>73</sup> Environmental quality and natural resources, such as clean air and fish stocks, are often non-excludable, rendering them with either public good or common property characteristics. As property rights are difficult, if not impossible, to impose, these resources are easily overexploited. As a result, natural ecosystems and species can be lost, waste accumulates, and resources could become degraded or entirely exhausted.<sup>74</sup> The difficulty in enforcing property rights, lack of regulation, as well as the fact that those responsible are often not the ones who feel the brunt of the consequences for environmental degradation,

---

<sup>71</sup> ILO (2017).

<sup>72</sup> Target 10.7: Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.

<sup>73</sup> van Veen-Groot and Nijkamp (1999).

<sup>74</sup> World Bank (1992).

are important factors contributing to this. The latter could be seen in the use of micro-plastics, coming from washing synthetic clothing, among others, which can have adverse impacts on marine life. These have been found in remote areas far from their origin, as far as a Mongolian mountain lake.<sup>75</sup>

The scale effects of globalization, through increased production and consumption, can lead to overexploitation of natural resources if everything else remains equal and environmental costs are not internalised.<sup>76</sup> Overexploitation of natural resources happens if exploitation exceeds the reproductive or regenerative ability of those resources, which can be encouraged by global demand.

Rising global demand has arguably encouraged unsustainable exploitation of many natural resources. Forest area has decreased by 3.1% since 1990, with even more dramatic changes in tropical and sub-tropical areas.<sup>77</sup> Land covered by forest has been converted in many cases to other more profitable uses, such as agriculture or timber production. In a study of selected countries with tropical forest, one of the main drivers of deforestation were found to be export markets, embodied in the production of palm oil, beef, soy and wood products.<sup>78</sup> Meanwhile, overfishing has led to fish stocks collapsing for certain species. In addition to the ecological impacts of overexploitation of natural resources, there are also impacts in the economic and social areas, as sources of livelihood are extinct and economic chains disrupted. Sustainable use of natural resources is thus essential from an environmental, economic and social perspective.

The 2030 Agenda addresses the challenges of overexploitation by calling for sustainable consumption and production patterns, dedicating one of the seventeen Goals to this endeavour. Goal 12 commits States to achieve sustainable management and efficient use of natural resources by 2030, implementing the 10-year Framework on Programmes on Sustainable Consumption and Production Patterns, and already by 2020 to have achieved environmentally sound management of chemicals and waste. Sustainable use of water and marine resources, reducing pollution and restoring water and marine resources and ecosystems, are addressed in Goal 6 and Goal 14 of the Agenda. Global forest conservation has increased substantially since the 1990s, with approximately 17% of global forest in protected areas. The increase in global forest conservation has however slowed in recent years.<sup>79</sup> In this regard, Goal 15, which calls for conservations, restoration and sustainable use of terrestrial and inland freshwater ecosystems, in particular forests, could provide the necessary impetus. Target 15.2 aims to reverse current trends on deforestation. Moreover, Target 8.4 of the Agenda highlights the need to improve global resource efficiency in consumption and production and as well as the need to decouple economic growth from environmental degradation. Economic globalization can additionally present part of the solution, as it facilitates more efficient use of resources through increased competition.<sup>80</sup> However, the right policies and regulations will be the key to sustainably manage the challenges of globalization, while taking advantage of the related opportunities.

Economic globalization is linked to increasing greenhouse gas emissions through the facilitation and promotion of increased agricultural and industrial production and consumption, transportation and deforestation.<sup>81</sup> International transportation, especially by air and sea, has enabled increasingly cheaper transportation of

---

<sup>75</sup> UNEP (2016a).

<sup>76</sup> van Veen-Groot and Nijkamp (1999).

<sup>77</sup> FAO (2015).

<sup>78</sup> Persson et al (2014).

<sup>79</sup> Ibid.

<sup>80</sup> Tisdell (2001).

<sup>81</sup> Huwart and Verdier (2013).

products across the globe, but at the same time significantly contributed to global greenhouse gas emissions. Fragmentation of production and the creation of global supply chains, partly a result of lower transportation and trade costs, have contributed to an increase in use of transportation. The negative impact is forecast to worsen further over the coming decades, with pollution from global shipping projected to grow up to 250% by 2050, depending on future economic growth and energy developments.<sup>82</sup> CO<sub>2</sub> emissions from global air traffic are forecasted to more than double by 2030.<sup>83</sup> In this regard, the agreement reached in October 2016 on a new global market-based measure to control CO<sub>2</sub> emissions from international aviation is an important milestone, especially because these emissions, as well as those of shipping, are not covered by the Paris Agreement.<sup>84</sup>

While industrialisation can be an important driver of economic growth, it is also a major source of greenhouse gas emissions and energy consumption. Global industry and waste/wastewater emissions are responsible for 30% of global greenhouse gas emissions, also taking into account the sector's indirect emissions from producing electricity and heat.<sup>85</sup> In order for economic development and trade not to have a negative impact on the environment through increased emissions and energy consumption, it will be necessary to decouple them from economic growth. The 2030 Agenda addresses this issue through Target 9.4, in which States commit to upgrade infrastructure and retrofit industries to make them sustainable, through increased resources-use efficiency and greater adoption of environmentally sound technologies and industrial processes. As countries find themselves in different levels of development, their capacity to develop, adapt, disseminate and upgrade clean and environmentally sound technologies is also diverse. In this context, coherent development assistance to developing countries, including capacity development and technology transfer and dissemination, is of crucial importance, in particular to those countries with highest vulnerabilities.

Decoupling economic globalization and trade from greenhouse gas emissions could be facilitated through the use of technology and innovation, increased energy efficiency and other green policies. Indeed, from 2014 to 2015, global carbon emissions were static, while the economy grew overall.<sup>86</sup> Industrialisation and transportation do not necessarily have to be detrimental to the environment, if the right policies are implemented and renewable or clean energy is used. Technology, innovation and production of scale can also facilitate more efficient use of energy resources. Use of renewable energy could moreover ensure a transition towards greener industry and transportation, thus reducing the emissions from these sectors.

Reducing greenhouse gas emissions and limiting global warming to no more than 2°C requires international cooperation. When greenhouse gas emissions are released, costs are shared and incentives for individual States to reduce emissions are reduced.<sup>87</sup> A clean atmosphere is in this sense truly faltering under the tragedy of the commons. Low-income countries contribute little to global emissions, but are nevertheless disproportionately affected by its consequences, through extreme weather conditions, drought, desertification and rising sea levels, among others. Small Island Developing States (SIDS) and coastal areas are particularly affected by rising sea levels, which can render entire populations homeless. Leaving no one behind also entails recognition

---

<sup>82</sup> IMO (2015).

<sup>83</sup> Schaefer (2013).

<sup>84</sup> The agreement on international aviation emissions was reached during the 39th Assembly of the International Civil Aviation Organization of the United Nations (ICAO).

<sup>85</sup> IPCC (2014).

<sup>86</sup> IEA (2016).

<sup>87</sup> UNEP and WTO (2009).

that some are disproportionately threatened by climate change and thus need assistance in enhancing their resilience to cope with its effects. As a result of such environmental changes and disasters, livelihoods, homes and lives could become threatened, leading to an increase in migration.<sup>88</sup> Resilience will be key to address the adverse impacts of climate change. States agreed to strengthen their resilience to more extreme conditions through the Sendai Framework for Disaster Risk Reduction, which was reiterated through Goal 11.b of the 2030 Agenda. Furthermore, extreme weather conditions can alter ecosystems, and as a result disrupt food production, water supply, infrastructure, settlements and human lives.<sup>89</sup> More than 70% of agricultural production relies on rainfall, and as a result, food production systems around the world are highly vulnerable to changes in the climate. The prevalence of droughts has substantially increased on the African continent, while dry conditions related to El Niño negatively affected crop production in several countries in 2015-2016.<sup>90</sup>

Therefore, decisive and joint action is necessary. The Paris Agreement provides a significant promise by States to accelerate the actions needed for a sustainable low-carbon future, as recognised in the 2030 Agenda. The 2030 Agenda directly addresses the challenges of climate change through Goal 13, committing Member States to take urgent action to combat climate change and strengthening resilience to climate-related hazards and natural disasters. As called for in Goal 13, climate change measures must be integrated into national policies. Responding to the challenge of climate change will require decisive action by States, including, but not limited to, implementing both the 2030 Agenda and the Paris Agreement, as well as the AAAA.

## G. Public perceptions

Public discontent with globalization and the multilateral system that supports it is not new. Globalization has improved the lives of many, but several others have been left behind in the process. In addition, public sentiments towards globalization and multilateralism have become remarkably bitter in developed countries, where long-embedded commitments to open societies as well as to the role of multilateralism in managing global economic and political challenges have been questioned. At the root of this unravelling have been several trends that had already created serious stress in the past, especially in developing countries, that increased in their spread and depth alongside globalization, putting the existing institutional framework to the test, with some arguing for retreat to protectionism and nationalism. These challenges are not limited to a specific dimension and include: the impact on national labour markets and economic structures caused by the reorganization of production at the global scale, rising inequality, financial instability, disorderly migration, climate change, proliferation of criminal networks and cybercrime.

How do citizens in different parts of the world evaluate the overall contribution of globalization to their country's wellbeing and their own? Developing countries have often voiced their concern with the inequality and unfairness of the international system, especially the economic dimension. While these countries have been urged to open up markets and embrace globalization, developed countries have often not put in place policies that would have enabled developing countries to benefit from it in a similar manner. This has led to a widespread perception of a significant imbalance of power and has undermined public support for international institutions, seen to follow the interests of developed countries.<sup>91</sup> Protestors in developed countries have

---

<sup>88</sup> Groff (2016).

<sup>89</sup> UNEP (2016a).

<sup>90</sup> UNEP (2016a).

<sup>91</sup> Goldin (2013).

expressed solidarity with developing countries in various occasions in the past, as well as for environmental concerns and disillusionment with capitalism.<sup>92</sup>

Surveys from the beginning of the 2000's found that people felt globalization was becoming part of their lives in many different ways – not only through the economy but also through travel, communication and culture. Younger citizens were more positive about globalization than older ones.<sup>93</sup> Citizens around the world thought growing trade and business ties, i.e. increasing economic globalization, would be good for their countries and their families, with Africans showing particularly high expectations, closely followed by Asians. These views were intrinsically related to how citizens assessed their own individual conditions.<sup>94</sup> The vast majority of people felt at that time that their lives had deteriorated in the five years that had passed. Nevertheless, and in spite of the topic being anything but consensual, people in general did not blame their most pressing concerns – such as lack of well paying jobs, deteriorating working conditions and the growing gap between rich and poor – on the fact that the world was becoming more connected. Moreover, while public contentment was significantly higher in advanced economies, citizens in developing countries were generally much more optimistic about their future as well as the next generation's prospects than those living in developed countries.

People also had favorable views of the players in economic globalization. While international organizations, multinational corporations, non-governmental organizations and trade unions all were rated high in general, a less categorical warm perception was evident from countries that had recently experienced crises and had followed structural programmes or where multinationals' business model were not consensual or their actions had raised serious social or environmental concerns. On the other hand, only a small proportion of citizens in each country thought anti-globalization protesters were a good influence for their respective countries.

These views contrast with those captured in more recent studies. Today, citizens from Asia are the more optimistic in terms of the economy, while Africans and Latin Americans make largely negative economic assessments. In developed countries sentiments are reviving, with many Europeans, Japanese and Americans feeling better today about their economies than before the 2008-09 economic and financial crisis.<sup>95</sup>

At the same time, while a majority of people still see economic globalization – materialized in growing trade and business ties – in a favorable way, there are growing concerns related to the ability of trade to create jobs and its impact on wages and prices.<sup>96</sup> This is more emphasized in developed countries, where anti-globalization sentiment and scepticism towards multilateralism has become more widely shared within the wider public in recent years, as more citizens feel they have been left alone to face many of the downsides of globalization while receiving few of its benefits.

A poll on behalf of CBS News and The New York Times carried out in 2016, which questioned respondents in the United States, found that 55% believed the U.S. has lost more from globalization than it has gained, while only 19% believed trade created domestic jobs.<sup>97</sup> People thus have generally positive attitudes towards

---

<sup>92</sup> Kahn (2000).

<sup>93</sup> Pew Research Center (2003). The Pew Research Center bears no responsibility for the analyses or interpretations of the data presented here.

<sup>94</sup> Pew Research Center (2002). The Pew Research Center bears no responsibility for the analyses or interpretations of the data presented here.

<sup>95</sup> Pew Research Center (2017).

<sup>96</sup> Pew Research Center Spring 2014 Global Attitudes survey. The Pew Research Center bears no responsibility for the analyses or interpretations of the data presented here.

<sup>97</sup> Dutton et al (2016).



Figure 5  
Opinion of economic globalization and its institutions, 2002

Growing Trade and Business Ties				
	See it happening*	Good for country		
		Very	Some what	NET
<b>North America</b>	%	%	%	%
United States	67	21	57	78
Canada	69	36	50	86
<b>Western Europe</b>				
Italy	71	19	60	79
Great Britain	61	32	55	87
Germany	56	37	54	91
France	50	32	56	88
<b>Eastern Europe</b>				
Ukraine	79	31	62	93
Poland	76	17	61	78
Russia	75	26	62	88
Czech Republic	60	28	56	84
Slovak Republic	51	32	54	86
Bulgaria	42	41	48	89
<b>Conflict Area</b>				
Uzbekistan	84	60	37	97
Lebanon	74	29	54	83
Egypt	66	25	42	67
Pakistan	63	62	16	78
Turkey	51	53	29	82
Jordan	50	15	37	52
<b>Latin America</b>				
Mexico	77	28	51	79
Brazil	70	14	59	73
Honduras	70	41	52	93
Bolivia	65	15	62	77
Guatemala	59	29	54	83
Venezuela	45	40	46	86
Peru	45	19	64	83
Argentina	28	18	42	60
<b>Asia</b>				
Vietnam	92	56	42	98
Philippines	78	28	55	83
South Korea	77	37	53	90
Japan	74	12	60	72
Indonesia	73	25	62	87
India	65	35	34	69
China	63	32	58	90
Bangladesh	31	46	38	84
<b>Africa</b>				
Nigeria	82	67	28	95
Mali	79	48	47	95
Angola	79	47	42	89
Senegal	74	63	35	98
Ghana	70	40	48	88
Uganda	69	64	31	95
South Africa	69	63	25	88
Kenya	67	63	27	90
Tanzania	52	35	47	82
Ivory Coast	48	55	41	96

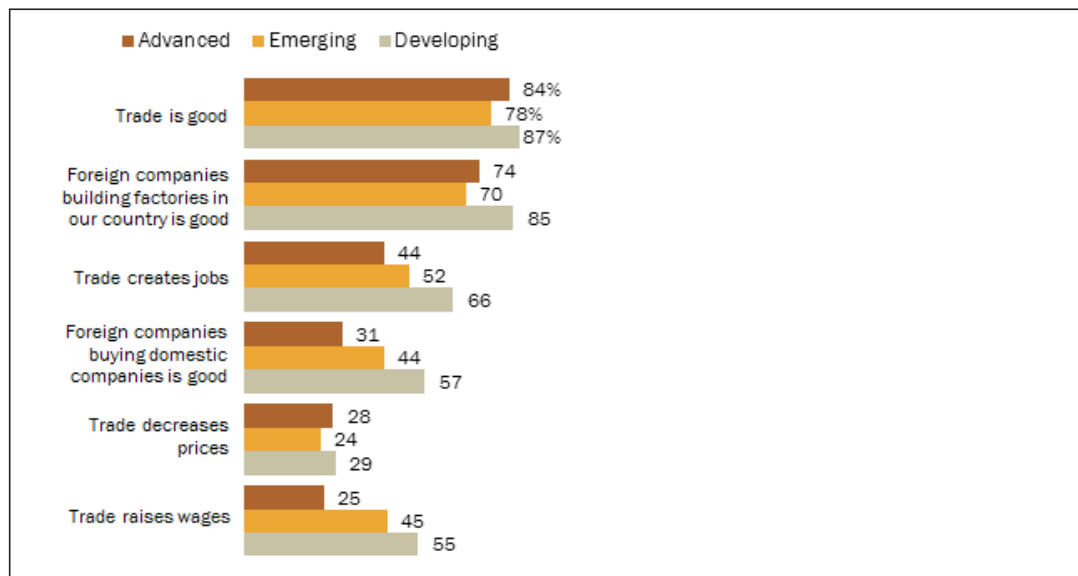
\* Percent who see "a lot" or "somewhat" more trade and business ties between their country and other countries

Rating Institutions (Percent saying a "good influence" on their country)					
	Trade unions	Multi-national corps	Internat'l orgs <sup>1</sup>	Anti-global protestors	NGOs <sup>2</sup>
<b>North America</b>	%	%	%	%	%
United States	63	50	60	30	89
Canada	54	55	64	39	94
<b>Western Europe</b>					
Great Britain	67	61	67	39	93
France	59	50	66	44	94
Germany	65	57	66	34	84
Italy	38	51	58	27	83
<b>Eastern Europe</b>					
Bulgaria	38	55	48	16	68
Czech Repub.	62	60	70	18	93
Poland	40	44	50	21	78
Russia	37	42	42	9	81
Slovak Repub.	51	71	74	32	93
Ukraine	38	55	62	20	77
<b>Conflict Area</b>					
Egypt	*	*	*	*	*
Jordan	38	42	32	23	57
Lebanon	46	57	44	24	84
Pakistan	41	29	23	9	23
Turkey	41	41	24	29	67
Uzbekistan	52	76	85	5	66
<b>Latin America</b>					
Argentina	12	25	16	24	77
Bolivia	65	61	64	47	83
Brazil	43	63	30	31	65
Guatemala	52	68	73	44	81
Honduras	57	67	69	46	70
Mexico	45	64	59	37	74
Peru	62	57	55	28	57
Venezuela	43	75	68	34	81
<b>Asia</b>					
Bangladesh	44	48	42	22	72
China	49	76	70	*	71
India	58	46	50	24	45
Indonesia	64	71	48	20	61
Japan	56	63	57	17	55
South Korea	66	56	58	21	71
Philippines	75	74	81	54	81
Vietnam	92	93	85	23	83
<b>Africa</b>					
Angola	48	69	74	27	75
Ghana	76	85	72	36	90
Ivory Coast	68	85	87	43	92
Kenya	75	78	71	21	95
Mali	67	65	69	20	83
Nigeria	82	75	79	28	81
Senegal	77	83	81	22	96
South Africa	59	78	68	44	76
Tanzania	54	53	53	20	62
Uganda	67	83	63	22	92

<sup>1</sup> International organizations like the World Bank, IMF and World Trade Organization  
<sup>2</sup> NGOs, that is non-governmental organizations such as [relevant example(s) for each nation]  
\* Certain questions not permitted in Egypt and China.

Source: Pew Research Center Spring 2002 Global Attitudes survey.

Figure 4

**Public perceptions on impact of economic globalization and national economies and labour markets**

Source: Pew Research Center Spring 2014 Global Attitudes survey.

Note: Medians by group categorization.

economic integration, but are concerned with specific aspects of globalization, with the main areas of concern being on wages, job security and immigration. In Europe, as the number of migrants surged to a record 1.3 million in 2015, popular sentiment also grew warier towards immigration. While Europeans are overwhelmingly not satisfied with how the European Union (EU) has handled the situation, many EU citizens are worried that incoming refugees increase the likelihood of terrorism in their countries and that they will be an economic burden.<sup>98</sup> Indeed, even as people grew more comfortable with globalization in 2002, they did not quite accept free movement of people in the same way as other elements of the process. Immigrants and minority groups were not seen under a positive light in the vast majority of countries and most people agreed with tightening controls on the flow of immigrants into their countries. National identity was also reflected in the widespread belief among people in most nations that their culture was superior to others and that it needed protection from outside factors.<sup>99</sup> This shows that populist and nationalistic attitudes experienced today have common elements with earlier periods of the current globalization wave. Some authors find that advance stages of economic globalization can be seen to produce political backlash in the form of populism, although the latter can take different forms.<sup>100</sup>

More factors have also come into play with the furthering of the globalization process. For once, as technology itself has developed at exponential speed, it has cemented its prominent role in advancing globalization.

<sup>98</sup> Pew Research Center Spring 2016 Global Attitudes survey. The Pew Research Center bears no responsibility for the analyses or interpretations of the data presented here.

<sup>99</sup> Ibid.

<sup>100</sup> Rodrik (2017).

Technology can be a means to achieve remarkable progress; however, especially in the context of a globalized world, it can also be a source of heightened risks. As technology is making information more widely available, it can reinforce the perception of mistrust regarding the globalization process, by exposing access and opportunity gaps, ultimately reflected in consumption and lifestyle patterns. Moreover, while democratization of information can be an enormous contribution for skills and capacity building, it is important to be aware that it effectively removes editing from the publishing process, including review and confirmation of sources. This is particularly worrisome in the case of social media and the so-called opinion makers. As people have increasing sources of information at their disposal, some find it more convenient to reach for news from these sources. As instruments of mass communication where information sharing is easy and fast and herd behaviour is encouraged, social media provide perfect conditions for, and heightened the risk of, the spread of misinformation.

Studies confirm that media coverage plays an important part in framing the debate on globalization and interconnectedness.<sup>101</sup> A negative focus, with an emphasis on the downside of globalization, tends to lead the public to perceive its effects on society as a whole more negatively, irrespective of their own situation. Both multilateral institutions and national governments have faced public discontent, and there has been a rise in the popularity of populist anti-integration parties advocating some degree of withdrawal from the international system. As citizens lost faith in globalization, they have directed their discontent towards the institutions and individuals promoting globalization. The recent vote in the United Kingdom to exit the European Union provides an example of such discontent with the prevailing system. The discontent with mainstream narratives was unmasked by deep distrust in academia, whose opinions were largely disregarded in the run-up of the vote, a trend that has also been observed elsewhere.

Furthermore, an increasing influence of private interest in the setting of public agenda is also fueling public discontent. This is felt both in terms of lobbying of interests at the national level as well as in the setting of rules at the international level and has a significant impact not only in terms of economic inequality but also on democratic structures, legitimacy and, ultimately, civic rights.

## **IV Addressing the challenges of globalization through the 2030 Agenda: A roadmap to an inclusive, interconnected world**

The 2030 Agenda promotes international cooperation with the aim of finding solutions to global problems – bringing under a unifying umbrella all relevant international normative frameworks in an integrated and coherent way – while recognizing that each country must find its own policy mix in accordance with its particular national circumstances.

Based on the multidimensional aspects of globalization and how it impacts development in the three dimensions of sustainable development, as analysed in this paper, six conclusions can be drawn.

### **A. Forging a new social contract**

The social contract established in the post-WWII era was based on a mix of external and domestic stabilization, with multilateralism taking a central role. These two fundamental ingredients are also provided in the 2030 Agenda.

---

<sup>101</sup> Mansfield and Mutz (2009).



But the 2030 Agenda goes beyond these previously established principles, with three additional foci – namely: sustainability, universality and inclusiveness – addressing the central caveats of the previous arrangement.

In adopting sustainable development as the relevant cross-cutting concept in policy decisions, it brings to the forefront the interlinkages between the economic, social and environmental dimensions and highlights the need to urgently address the unsustainability of current economic development models.

As a universally applicable framework, in which the SDGs and related targets apply both to developing and developed countries, the 2030 Agenda unambiguously exposes the commonality of global challenges and global public goods, to which solutions limited to the national level will not suffice. The ability to cope with the impacts of different shocks will, nevertheless, continue to differ from country to country, and therefore the global partnership for sustainable development will be of crucial importance to enable the implementation of the Agenda. A strengthened partnership for sustainable development aims to mobilize a significantly larger amount of resources than that envisaged under the Millennium Development Goals framework. This responds to the need to integrate sustainability in policy decisions, which entails going beyond “business as usual” – indeed, it requires a change of mindset.

The 2030 Agenda is a framework where shared responsibilities seek shared actions through inclusive and transparent processes, leading to the active engagement and due ownership of a broad spectrum of groups of society. Inclusive and innovative partnerships are key policy enablers and are vital to generate adapted solutions. For this virtuous cycle to be set in motion, the way that burdens and rewards are shared among members of society – including the key five elements below – will need to be addressed through integrated and inclusive public policies and frameworks. Once an acceptable balance is reached, these directives will become the norms by which the different groups of society agree to, i.e., the new social contract.

## **B. Tackling inequality within countries**

Recognizing that inequality goes beyond aspects of wealth and income, the 2030 Agenda for Sustainable Development goes beyond a narrow definition of inequalities, considering its relation to economic, social and environmental factors. Solutions to rising inequalities therefore cannot be found within one realm, but must be multidimensional to address the full range of factors contributing to disparities at global, regional and national levels.

The 2030 Agenda, as a multidimensional framework, is well suited to advance solutions that reflect the multidimensionality of inequality. The 2030 Agenda and the AAAA address some of these issues as well as their root causes, both directly and indirectly. The Agenda recognises the multiple facets of inequality by referencing it across goals and targets, in addition to the standalone goal on inequality, SDG10.

Inequalities are a crosscutting issue in the 2030 Agenda; the success of all SDGs will depend on a reduction of all forms of inequalities, given the close links between inequalities and each SDG. In SDG10, the international community commits to reducing inequalities within and among countries, with many of the targets proposing concrete solutions to addressing the inequalities associated with globalization. All of these issues are covered by provisions in the 2030 Agenda and the Addis Ababa Action Agenda, some through dedicated goals and targets.

SDG1 on the eradication of poverty in all its forms is intrinsically linked to inequality, as a more balanced and equitable distribution of a country’s economic and environmental resources are a crucial component of

---

poverty eradication. Poverty is also linked to an exclusion from political processes, which can perpetuate poverty, as society and the political system may fail to serve those most in need.

Inequalities are also closely connected to the environmental goals of the 2030 Agenda, as the costs associated with environmental degradation are unequally distributed, affecting those in the bottom half of the income distribution the most. The destruction of land or water ecosystems significantly hurts communities that rely on these resources for their livelihoods. The poor also overwhelmingly suffer from the adverse effects of climate change. As studies have shown, unmitigated climate change will be to the detriment of developing and least developed countries and their inhabitants, reducing average income by up to 75 percent by the end of this century.

The failure to enable access to resources can undermine social cohesion and institutions, leading to instability, conflict and war, endangering progress on SDG16. Inequalities can create vicious circles of political instability and conflict. Both horizontal inequality between social groups and vertical inequality between individuals have been identified as key drivers of violent conflict. Conflict-inducing inequalities are based on social exclusion according to ethnicity, culture, language and other characteristics. The persistence of these patterns of exclusion tends to create inequality traps that provide the fertile grounds for violence and instability. Policies to enhance productive capacities and productivity are equally important to achieve this goal. Due to the interconnectivity of factors of globalization that can contribute to unequal and unsustainable effects, integrated policies need to be at the heart of efforts to achieve more equitable and balanced outcomes. Introducing distributional impact assessments into policy making processes can be an efficient approach to reduce inequalities, as it allows policy makers to frontload considerations of equality in the origination phase of the policy making process. The policy origination phase is where policies are integrated across the three dimensions of sustainable development.

### **C. Tackling the consequences of globalization on domestic economic and labour markets**

Efforts to consider the distributional impact of all policies, no matter if they are targeted at inequality reduction or address other issues of sustainable development, are required to effectively devise measures that are either redistributive or neutral in their effects. In the context of globalization, policies need to be crafted in recognition of imbalances that can arise from global trade and business. As policies in this area face increased complexity due to the overlapping of national and global contexts, impact assessments are key to ensuring balanced outcomes that take full account of the national context in which the policy is introduced.

With regards to international trade, policies that seek to encourage trade need to take into account their effects in all three dimensions of sustainable development. While trade liberalization has contributed to economic growth and prosperity in various contexts, agreements in the past have often been associated with negative economic and social effects on certain societal groups. For instance, measures that expose local producers to competition from more advanced markets or foreign producers that receive subsidies in their countries of origin may contribute to employment loss and social marginalization.

With regards to labour market adjustments, policymakers can take proactive measures to improve the wage share by encouraging more effective dialogue and enhancing social exchange in firms. Effective collective bargaining can also help to improve the employment reaction to macroeconomic measures, which can be key in addressing public discontent related to adjustment processes. In addition, well-designed minimum wages can rebalance the distribution of income in favour of labour, as well as help sustain the incomes of

low-skilled workers, whose labour share has been most affected by the trend decline. Finally, ensuring a closer link between profits and productive investment as well as enhancing productive capacities and diversification are vital for job creation. Demand-side policies that can help to overcome the current reluctance to invest into productive capacity can be one step to achieve this.

#### D. Promoting decent work and the global social protection partnership

Amid the changing realities in labour markets brought about by an increasingly globalized world, the International Labour Organization established as a primary goal “to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity”.<sup>102</sup> In order to achieve this goal, four interdependent strategic objectives were put forward: promoting fundamental principles and rights at work; creating greater employment and income opportunities for women and men; increasing the coverage of social protection; and strengthening social dialogue and tripartitism. Importantly, it was noted that the ILO should be concerned with all workers, whether organized or not, and wherever they may exercise their work, “whether in the formal or the informal economy, whether at home, in the community or in the voluntary sector”.<sup>103</sup>

The concept of decent work progressively gained track and endorsement in the international community. In 2007, a target on the creation of decent work for all was added to the Millennium Development Goal 1, making explicit that productive employment and decent work for all was fundamental to fighting poverty. The ILO Declaration on Social Justice for a Fair Globalization, adopted in 2008 and evaluated in 2016, endorsed the Decent Work Agenda. Decent work gained further impetus after the 2008-2009 economic and financial crisis, and has been fully integrated into the 2030 Agenda in Sustainable Development Goal 8. Social protection has also been included in several goals.<sup>104</sup> In September 2016, the ILO and the World Bank launched the Global Partnership for Universal Social Protection, a joint initiative built on the emerging consensus around the need to view universal social protection as a primary sustainable development priority.

Although the concept of decent work has evolved since it was first proposed, it has retained its original four principles: rights at work; employment creation; social protection; and social dialogue. Decent work and productive employment opportunities created by sustainable economic growth are key elements to achieving poverty reduction, as well as a fairer and orderly globalization process.

#### E. Strengthening global systems and partnerships

In light of the need for global solutions to global challenges, the 2030 Agenda could be considered a viable answer for addressing a range of challenges associated with globalization at the global level. Several targets directly address the deficiencies in the global financial system highlighted above.

In order to tackle the shortcomings associated with a global system perceived to be unrepresentative of global economic realities, Target 10.6 pledges to ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions. As the economic and political importance of several

<sup>102</sup> ILO (1999).

<sup>103</sup> Ibid.

<sup>104</sup> Target 1.3, under Goal 1 (no poverty); Target 5.8, under Goal 5 (gender equality); and Target 10.4, under Goal 10 (reduced inequalities).

---

countries has grown substantially since the inception of the international system following WWII, contributing ever larger shares to global GDP, it is fundamental for the stability of the global economic system that these countries have an equal share of decision-making power corresponding with principles of equity that guide the international system.

To tackle the lack of regulation, Target 10.5 of the SDGs calls for the improvement of regulation and monitoring of global financial markets and institutions and for the strengthening of the implementation of such regulations. This lack of regulation of financial markets, at national, regional and global levels, is considered one of the root causes of the financial and economic unravelling of the 2008/09 financial crises. As a global challenge that goes beyond national boundaries, global financial governance needs to be strengthened at the global level to effectively tackle crises and prevent contagion effects between countries.

SDG10 also addresses the issue of international migration – a vital issue, which in some countries has been at the centre of public discourse and a push for isolationism fuelled by populist sentiments that have made migrants scapegoats for worsening economic realities. Target 10.7 seeks to facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies. Target 10c addresses an issue related to international migration, namely migrant remittances, a key source of income for many across the globe.

Barriers to sustainable development, particularly in the developing country context, have also been observed with regards to accessing technologies that can foster sustainable and equitable development outcomes. In order to overcome imbalances with regards to technology, whose rapid change has been a main driver of globalization, the 2030 Agenda and the AAAA has put forward the Technology Facilitation Mechanism (TFM) that is geared to support developing countries in closing the gaps in access to technology. The TFM promotes the sharing of information, experiences, best practices and policy advice among Member States, the private sector and other stakeholders.

## **F. Tackling environmental challenges of globalization**

In light of the need for global solutions for global challenges, the 2030 Agenda, together with the Paris Agreement, provides an authoritative framework for addressing a range of challenges associated with economic globalization in the environmental dimension. The Agenda directly addresses several environmental concerns, most notably climate change (SDG 13), but also the conservation and sustainable use of water (SDG 14) and terrestrial ecosystems and life on land (SDG15). Goal 12 of the 2030 Agenda focuses on the need to promote sustainable consumption and production patterns, with direct implications on economic globalization and its adverse environmental effects, such as climate change through promoting more sustainable behaviour. This would entail greater resource and energy efficiency, reduced waste, better management of chemicals and other waste materials and greater public awareness. As a result, the implementation of Goal 12 could help reduce greenhouse gas emissions through more sustainable production and consumption patterns.

Moreover, while economic globalization both directly and indirectly presents several challenges to the environment, it also supplies potential solutions in many ways. Through increased competition, production of scale and more efficient use of resources, globalization can, with the right incentives, regulations and policies, provide part of the solution. In this regard, good governance, multi-stakeholder partnerships, inclusiveness and transparency will be important – so that the environmental cost of economic behaviour is internalised.

However, ill-conceived implementation of the 2030 Agenda could also prove detrimental to the environmental dimension, depending on the path and policies chosen. It is, therefore, crucial to adopt integrated policy frameworks that incorporate the three dimensions of sustainable development in every policy decision.

For instance, unless implemented in a sustainable, environmentally sound manner, SDG2 could potentially contribute to deforestation and other land-use related emissions. Due to limited land resources, at the local level, implementation of one Goal might negatively impact another. Deforestation can increase agricultural capacity, food security and potentially economic growth, but will negatively impact the environment and climate change (SDG 13), and potentially biodiversity and local ecosystems (SDG15). Similarly, while using land to produce bioenergy can improve progress towards SDG9, it could negatively affect SDG2, as less land is available for food production, in addition to SDG13 and SDG15. In this case, policies that enhance the productivity of agro-industries, using modern technologies and training and skills upgrading for smallholders on cleaner production and material-resource management, can be crucial for sustainable development.<sup>105</sup> Achieving SDG8 without significant environmental degradation would require decoupling economic growth from emissions, and the nature of industrialisation and infrastructure development pursued under SDG9 will be determinant to CO2 emissions. These SDGs could also have a detrimental impact on the sustainable use of resources, waste creation, ecosystems and pollution.

As a result, it is essential to avoid silo-approaches in the implementation of the various SDGs. Instead, integrated solutions are needed, as called for in the 2030 Agenda. Policy integration is thus a necessary condition for the balanced and mutually reinforcing implementation of the SDGs and its targets. Environmental concerns and Goals should thus be taken into account in the implementation of all Goals and Targets. In this way, potential detrimental environmental effects can be avoided or mitigated, and synergies and complementarities can be found. Through implementation of Goal 8, for example, States committed to promote full and productive employment, and create decent jobs. UNCTAD estimates that by greening the production chain, green jobs will be created at the same time as greenhouse gas emissions are reduced.<sup>106</sup> In this way, a green economy could provide a solution that allows for both production and trade to expand, while reducing negative environmental impacts.

## **V** Concluding remarks

Globalization has improved the lives of many, but at the same time, it has left others behind. In 2002, Kofi Annan stated that either “we help the outsiders in a globalized world out of a sense of moral obligation and enlightened self-interest, or we will find ourselves compelled to do so tomorrow, when their problems become our problems, in a world without walls.”<sup>107</sup>

In the context of dynamic global challenges, it is of vital importance to recover and uphold the principles of multilateralism. The 2030 Agenda for Sustainable Development provides a unifying coherent international normative framework that promotes international cooperation to find solutions to global problems while recognizing that each country must find its own policy mix in accordance to its particular national circumstances. Due to the interconnected nature of the factors of globalization, integrated policies need to be at the heart of efforts to achieve more equitable and balanced outcomes. Policy integration is, therefore, integral to reaching the end goal: unlocking the long-term benefits stemming from sustained, inclusive and sustainable solutions and, in doing so, achieving the SDGs for all.

<sup>105</sup> A/71/264.

<sup>106</sup> UNCTAD (2015).

<sup>107</sup> United Nations (2002).

The 2030 Agenda aims at “transforming our world”. Transformation can be distressing because it implies changes in the status quo. And if adjustments are not managed properly, the process may produce important biases. This is why globalization requires strong national policies to support those that will inevitably end up losing from the complex dynamics at play. Openness to global markets has been more successful when accompanied by public policies aiming to mitigate the risks stemming from the dynamics of globalization, including distributive policies, training and education. Sound public policy is thus a crucial element in this process.

Public policy needs to be the guarantor of the common interest. Therefore, it is important that citizens feel represented in the public policy conducted by their governments. There is a need to bring citizens and governments closer together. This is done through more inclusive and transparent processes and addressing the concerns of people with sustainable policies. The key to maximizing benefits from globalization and minimizing its shortcomings rests in finding a fitting, productive role for everyone while engaging all citizens in the process. The 2030 Agenda envisages a framework where inclusive and innovative partnerships are key policy enablers and are vital to generate adapted solutions. Shared responsibilities should seek shared actions through inclusive and transparent processes, thus leading to the active engagement and due ownership of a broad spectrum of groups of society. This way forward contributes to building synergies among stakeholders and creating trust in governance mechanisms that promote transparency, inclusiveness and accountability, empowering people and increasing ownership of institutional and normative frameworks and policy strategies, thus constituting a vital means of implementation of the 2030 Agenda.

In this context, the 2030 Agenda provides a sustainable, universal and inclusive framework for international policy coordination, allowing for due consideration of different national realities, capacities and levels of development and respecting national policies and priorities. Throughout, in upholding its five pillars – People, Planet, Prosperity, Peace and Partnership – the 2030 Agenda embraces the principles of an emboldened, resilient social contract that is compatible with globalization: prosperity is both finite and disruptive if not produced in an inclusive and sustainable manner.



## Bibliography

- Abdelal, R., and Ruggie, J.G., 2009, “The Principles of Embedded Liberalism: Social Legitimacy and Global Capitalism”, Chapter 7, pp. 151-162, in Moss, D., and Cisternino, J., Eds., 2009, “New Perspectives on Regulation”, Cambridge, MA; The Tobin Project, 2009.
- Acemoglu, D., Autor, D. H., Dorn, D., Hanson, G. H., and Price, B., 2016, “Import Competition and the Great US Employment Sag of the 2000s”, *Journal of Labour Economics*, Vol. 34, No. S1, pp. S141-S198.
- Albright, M. K., Kohut, A., McIntosh, M., Stokes, B., Mueller Gross, E., Doherty, C., Speulda, N. M., 2003, “Pew Global Attitudes Project: Views of a Changing World”, The Pew Research Center for the People & The Press.
- Alonso, José Antonio, 2012, “From aid to global development policy”, DESA Working Paper No. 121, September 2012 [http://www.un.org/esa/desa/papers/2012/wp121\\_2012.pdf](http://www.un.org/esa/desa/papers/2012/wp121_2012.pdf)
- Autor, D. H., Dorn, D., and Hanson, G. H., 2016, “The China Shock: Learning from Labor Market Adjustment to Large Changes in Trade”, NBER Working Paper No. 21906.
- Autor, D. H. and Katz, L. F., 1999, “Changes in the Wage Structure and Earnings Inequality”, *in* Ashenfelter, O., and Card, D., “Handbook of Labor Economics”, vol. 3A.; 1999. pp. 1463-1555.
- Barro, Robert, 2000, “Inequality and Growth in a panel of countries”, *Journal of Economic Growth*, Vol.5, pp. 5-32.
- Bacchetta, M., Ernst, E., and Bustamante, J. P., 2009, “Globalization and Informal Jobs in Developing Countries”, A joint study of the International Labour Office and the Secretariat of the World Trade Organization.
- Berman, E. et al. (1998) “Implications of Skill-Biased Technological Change: International Evidence,” *Quarterly Journal of Economics*.
- Bieler, A., Lindberg, I., and Sauerborn, W., 2010, After 30 Years of Deadlock: Labour’s Possible Strategies in the New Global Order, *Globalizations*, 7:1-2, pp. 247-260, DOI: 10.1080/14747731003593653.
- Cecchini, S., Filgueira, F., Martínez, R, and Rossel, C., Eds., 2015, “Towards universal social protection – Latin American pathways and policy tools”, UNECLAC, November 2015.
- Charmes, Jacques, 2012, “The Informal Economy Worldwide: Trends and Characteristics”, *Margin: The Journal of Applied Economic Research*, Vol. 6, Issue 2, pp. 103 – 132.
- Charmes, Jacques, 2015, “The informal economy: Definitions, Size, Contribution, Characteristics and Trends”, Research, Network and Support Facility, EC-EuropeAid.
- Chase-Dunn, C., Kawano, Y. and Brewer, B. (2000) Trade Globalization since 1795: Waves of integration in the World-System. *American Sociological Review*, Vol. 65, No. 1.
- Correia, F., Jiménez, L. F., and Manuelito, S., 2009, “Financial regulation and oversight: lessons from the crisis for Latin America and the Caribbean”, *CEPAL Review* 99
- Dasgupta, S., Laplante, B., Wang, H., and Wheeler, D., 2002, “Confronting the Environmental Kuznets Curve”, *The Journal of Economic Perspectives*, Vol. 16, No. 1, pp. 147-168.
- Dreher, A., Gaston, N., and Martens, P., 2008, “Measuring Globalisation: Gauging Its Consequences”, Springer.

- 
- Dupuy, P. M., Petersmann, E. U., Francioni, F, eds., 2010, “Human Rights in International Investment Law and Arbitration”, Oxford University Press.
- Dutton, S., De Pinto, J., Backus, F. and Salvanto, A., 2016, “Poll: Trump and Clinton voters on immigration, economy, trade”, CBS News, 14 July 2016.
- European Commission, 2015, “Public opinion in the European Union”, Standard Eurobarometer 83, Spring 2015.
- Food and Agriculture Organization (FAO), 2015, “Global Forest Resources Assessment 2015”, Food and Agriculture Organization of the United Nations, Rome, 2015.
- Gabler, Neal, 2016, “The Secret Shame of Middle-Class Americans”, The Atlantic, May 2016 Issue, <https://www.theatlantic.com/magazine/archive/2016/05/my-secret-shame/476415/>.
- Garrett, Geoffrey, 2001, “Globalization and Government Spending Around the World”, *Studies in Comparative International Development*, 35(4) 2001: 3-29.
- Gërçhani, Klarita, 2004, “The Informal Sector in Developed and Less Developed Countries”, Tinbergen Institute Discussion Paper, TI 1999-083/2.
- Goldberg, P. and Pavcnik, N. (2007) “Distributional Effects of Globalization in Developing Countries,” *Journal of Economic Literature*, American Economic Association, vol. 45(1).
- Goldin, Ian, 2013, *Divided Nations: “Why Global Governance is Failing and What We Can Do About It”*, Oxford University Press.
- Goodhart, C., and Erfurth, P., 2014, “Monetary policy and long-term trends”, *VoxEU*.
- Groff, Stephen, 2016, “The Next Migrant Wave”, Project Syndicate, <https://www.project-syndicate.org/commentary/climate-change-migration-refugees-by-stephen-groff-2016-12>.
- Harbaugh, W. T., Levinson, A., and Wilson, D. M., 2002, “Reexamining the Empirical Evidence for an Environmental Kuznets Curve”, *The Review of Economics and Statistics*, Vol. 84, No. 3, pp. 541-551.
- Harrison and Hanson (1999) “Who gains from trade reform? Some remaining puzzles,” *Journal of Development Economics*.
- Hiwatari, Nobuhiro, 2002, “Disinflationary Adjustment: The Link between Economic Globalization and Challenges to Postwar Social Contracts”, Chapter 12, pp. 281-318, in Zunz, O., Schoppa, L., & Hiwatari, N., Eds. (2002), “Social Contracts Under Stress: The Middle Classes of America, Europe, and Japan at the Turn of the Century”, Russell Sage Foundation.
- Huwart, J.-Y., and Verdier, L., 2013, “Economic Globalisation Origins and Consequences”, OECD Insights, OECD, Paris.
- Independent Evaluation Office (IEO), 2003a, “IMF and Recent Capital Account Crises: Indonesia, Korea, Brazil”, July 28, 2003, Washington D.C.
- \_\_\_, 2003b, “The Role of the IMF in Argentina, 1991-2002”, July 31, 2003, Washington D.C.
- \_\_\_, 2014, “IMF Downsizing During the Crisis”, Annex II in “IMF Response to the Financial and Economic Crisis”, October 27, 2014, Washington D.C.
- \_\_\_, 2016, “The IMF and the Crises in Greece, Ireland and Portugal”, July 28, 2016, Washington D.C.
- International Energy Agency (IEA), 2016, “Decoupling of global emissions and economic growth confirmed”, Paris, 16 March 2016, <https://www.iea.org/newsroom/news/2016/march/decoupling-of-global-emissions-and-economic-growth-confirmed.html>.



- International Labour Organization (ILO), 1984, “World Labour Report 1: Employment, incomes, social protection, new information technology”, International Labour Office – Geneva: ILO, 1984.
- \_\_\_, 1985, “World Labour Report 2: Labour relations, international labour standards, training, conditions of work, women at work”, International Labour Office – Geneva: ILO, 1985.
- \_\_\_, 1995, “Chapter 3: Privatization, employment and social protection”, in “World Labour Report 8”, International Labour Office – Geneva: ILO, 1995.
- \_\_\_, 1997, “World Labour Report 1997-98: Industrial relations, democracy and social stability”, International Labour Office – Geneva: ILO, 1997.
- \_\_\_, 1999, “Decent Work”, Report of the Director-General, International Labour Conference, 87th Session, Geneva.
- \_\_\_, 2002, “Decent work and the informal economy”, Report VI, International Labour Conference, 90th Session, Geneva, 2002.
- \_\_\_, 2011, “World of Work Report 2011: Making Markets Work for Jobs”, International Institute for Labour Studies, International Labour Office – Geneva: ILO. 2011.
- \_\_\_, 2013, “Women and men in the informal economy: a statistical picture”, Second edition, International Labour Office – Geneva: ILO, 2013.
- \_\_\_, 2014, “Global Employment Trends 2014 – Risk of a jobless recovery?”, International Labour Office – Geneva: ILO. 2014.
- \_\_\_, 2015a, “Global Wage Report 2014/15: Wages and income inequality”, International Labour Office – Geneva: ILO, 2015.
- \_\_\_, 2015b, “Trends in Collective Bargaining Coverage: Stability, Erosion or Decline?”, Issues Brief No.1, Labour Relations and Collective Bargaining, October 2015.
- \_\_\_, 2016a, “Non-standard employment around the world: Understanding challenges, shaping prospects”, International Labour Office – Geneva: ILO. 2016.
- \_\_\_, 2016b, “Key Indicators of the Labour Market”, Ninth edition, International Labour Office – Geneva: ILO. 2016.
- \_\_\_, 2016c, “Global Wage Report 2016/17: Wage inequality in the workplace”, International Labour Office – Geneva: ILO, 2016.
- \_\_\_, 2017, “World Employment and Social Outlook: Trends 2017”, International Labour Office – Geneva: ILO, 2017.
- ILO and OECD, 2015, “The Labour Share in G20 Economies”, Report prepared for the G20 Employment Working Group Antalya, Turkey, 26-27 February 2015.
- Intergovernmental Panel on Climate Change (IPCC), 2014, “Climate Change 2014: Mitigation of Climate Change”, Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Edenhofer, O., R. Pichs-Madruga, Y. Sokona, E. Farahani, S. Kadner, K. Seyboth, A. Adler, I. Baum, S. Brunner, P. Eickemeier, B. Kriemann, J. Savolainen, S. Schlömer, C. von Stechow, T. Zwickel and J.C. Minx (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA.
- International Maritime Organization (IMO), 2015, “Third IMO Greenhouse Gas Study 2014”, London, 2015.

- 
- Islam, S. N., 2015, “Inequality and Environmental Sustainability”, UNDESA Working Paper No. 145, ST/ESA/2015/DWP/145.
- Jütting, Johannes P., and de Laiglesia, Juan R., (Eds), 2009, “Is Informal Normal? Towards More and Better Jobs in Developing Countries”, OECD Development Center.
- Kahn, J., 2000, “Seattle Protesters Are Back, With a New Target”, *The New York Times*, 9 April 2000.
- Kapstein, E., and Milanovic, B., eds, 2002, “When Markets Fail: Social Policy and Economic Reform”, New York: Russell Sage Foundation, November 2002.
- Kenny, C., 2014, “Why Factory Jobs Are Shrinking Everywhere”, *Bloomberg*, 28 April 2014.
- Kohut, A., Wike, R., Horowitz, J. M., 2014, “World Publics Welcome Global Trade — But Not Immigration”, Updated version May 27, 2014, The Pew Global Attitudes Project, The Pew Research Center for the People & The Press, Washington D.C.
- Krugman, Paul G., 2008, “Trade and Wages, Reconsidered”, *Brookings Papers on Economic Activity*, Spring 2008.
- Lawrence, R. Z., and Edwards, L., 2013, “As Other Nations Prosper, So Will United States”, *Miami Herald*, 14 April 2013.
- Levinson, M., 2016, “U.S. Manufacturing in International Perspective”, Congressional Research Service, April 26, 2016, Washington D.C.
- Leonard, H.J., 2006, “Pollution and the struggle for the world product: multinational corporations, environment, and international comparative advantage”, Cambridge: Cambridge University Press.
- Li, H., Squire, L., and Zou, H., 1998, “Explaining International and Intertemporal Variations in Income Inequality”, *The Economic Journal*, Vol. 108, No. 446 (Jan., 1998), pp. 26-43.
- Lindert, P. H., and Williamson, J. G., 2001, “Does Globalization Make the World More Unequal?”, NBER Working Paper No. 8228.
- Mansfield, E. D., and Mutz, D. C., 2009, “Support for Free Trade: Self-Interest, Sociotropic Politics, and Out-Group Anxiety”, *International Organization* Vol. 63, pp. 452-453.
- McKinsey Global Institute (2017) *A future that works: Automation, Employment, and Productivity*. January 2017.
- Merk, Jeroen, 2011, “Cross-border wage struggles in the global garment industry: the campaign for an Asia floor wage”, in Bieler, A., and Lindberg, I. (eds), 2011, “Global Restructuring, Labour and the Challenges for Transnational Solidarity”, London: Routledge.
- Morgenthau, Henry Jr., 1944, “Inaugural address by Henry Morgenthau Jr”, Department of State (Ed.), *United Nations Monetary and Financial Conference: Bretton Woods, Final act and related documents*, New Hampshire, July 1 to July 22, 1944. Washington: United States Government Printing Office, 1944. 121 p. p. 3-6.
- Mortimore, M., 2006, “International arbitration based on investor-State dispute settlement clauses in international investment agreements: challenges for Latin America and the Caribbean”, *Serie Desarrollo Productivo* 188, Economic Commission for Latin America and the Caribbean, United Nations, Santiago, Chile.
- Namballa, V. C., 2014, “Global Environmental Liability: Multinational Corporations under Scrutiny”, *Exchanges: the Warwick Research Journal*, Vol. 1, No. 2, pp. 181-205.

- Organization for Economic Cooperation and Development (OECD), 2016, “The Productivity-Inclusiveness Nexus”, OECD Publishing, Paris.
- Ortiz, I., and Cummins, M., 2011, “Global Inequality: Beyond the Bottom Billion – A Rapid Review of Income Distribution in 141 Countries”, United Nations Children’s Fund (UNICEF) Social and Economic Policy Working Paper, New York, April 2011.
- Persson, M., Henders, S., and Kastner, T., 2014, “Trading Forests: Quantifying the Contribution of Global Commodity Markets to Emissions from Tropical Deforestation”, Center for Global Development, Working Paper 384.
- Pew Research Center, 2002, “What the World Thinks in 2002”, The Pew Global Attitudes Project, Washington D.C.
- \_\_\_, 2003, “Views of a Changing World”, The Pew Global Attitudes Project, Washington D.C.
- \_\_\_, 2014, Spring 2014 Global Attitudes Survey.
- \_\_\_, 2016, Spring 2014 Global Attitudes Survey.
- \_\_\_, 2017, Spring 2014 Global Attitudes Survey.
- Pierson, Christopher, 2004, “Late Industrializers and the Development of the Welfare State”, Social Policy and Development Programme Paper No. 16, September 2004, United Nations Research Institute for Social Development.
- Pisani-Ferry, J., 2016, ”Why Are Voters Ignoring Experts?”, Project Syndicate, 29 July 2016.
- Polanyi, Karl, 1944, “The Great Transformation: The Political and Economic Origins of Our Time”. Originally published: New York: Farrar & Rinehart, 1944, and reprinted in 1957 by Beacon Press in Boston.
- Pulignano, Valeria, 2010, “Trade Unions and the Coordination of Collective Bargaining in Europe”, Katholiek Universiteit Leuven.
- Rodrik, Dani, 1996, “Why do more open economies have bigger governments?”, NBER Working Document No. 5537.
- \_\_\_, 2013, “The Perils of Premature Deindustrialization”, Project Syndicate, 11 October 2013.
- \_\_\_, 2015, “Premature Deindustrialization”, John F. Kennedy School of Government, Harvard University.
- \_\_\_, 2017, “Populism and the economics of globalization”, NBER Working Paper No. 23559, June 2017.
- Ruggie, John G., 1982, “International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order”, International Organization, Vol 36, Issue 2, International Regimes (Spring, 1982), ppg 379-415.
- \_\_\_ (ed.), 1993, “Multilateralism Matters: The Theory and Praxis of an Institutional Form”, New York: Columbia University Press, 1993.
- \_\_\_, 2004, “Reconstitution the Global Public Domain – Issues, Actors, and Practices, European Journal of International Relations, Vol. 10, No. 4, pp. 499-531.
- Schaefer, M., 2013, “Forecast of Air Traffic’s CO2 and NOx Emissions until 2030”, Conference Paper, ATRS World Conference 2013.
- Schmitt, J., and Mitukiewicz, A., 2011, “Politics Matter. Changes in Unionization Rates in Rich Countries, 1960-2010”, Center for Economic and Policy Research, Washington D.C.

- Schmitter, Philippe C., 1974, “Still the Century of Corporatism?”, *The Review of Politics*, Vol. 36, No. 1, pp. 85-131.
- Schoppa, Leonard, 2002, “Globalization and the Squeeze on the Middle Class: Does Any Version of the Postwar Social Contract Meet the Challenge?”, Chapter 13, pp. 319-344, in Zunz, O., Schoppa, L., & Hiwatari, N., Eds. (2002), “Social Contracts Under Stress: The Middle Classes of America, Europe, and Japan at the Turn of the Century”, Russell Sage Foundation.
- Schulten, Thorsten, 2005, “Foundations and perspectives of trade union wage policy”, in Hein, E., Niechoj, T., Schulten T., and Truger A. (eds) “Macroeconomic policy coordination in Europe and the role of the trade unions”, Brussels: ETUI, pp. 263–292.
- Stern, David I., 2004, “The Rise and Fall of the Environmental Kuznets Curve”, *World Development* Vol. 32, No. 8, pp. 1419–1439.
- Stiglitz, J. E., 2002, “Globalization and Its Discontents”, W. W. Norton & Company.
- Thomson, S., 2016, “Globalization for the 99%: can we make it work for all?”, *World Economic Forum*, 6 July 2016.
- Tisdell, Clem, 2001, “Globalisation and sustainability: environmental Kuznets curve and the WTO”, *Ecological Economics* 39 (2001) 185–196.
- United Nations, 2002, “In Yale University address, Secretary-General pleads cause of ‘inclusive’ globalization”, United Nations Press Release, SG/SM/8412, 2 October 2002.
- \_\_\_\_\_, 2004, “World Economic World Economic Situation and Prospects 2004”, Department for Economic and Social Affairs, United Nations, New York.
- \_\_\_\_\_, 2009, “Report of the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System”, 21 September 2009.
- \_\_\_\_\_, 2015, “The Millennium Development Goals Report 2015”, New York. [http://www.un.org/millennium-goals/2015\\_MDG\\_Report/pdf/MDG%202015%20rev%20\(July%201\).pdf](http://www.un.org/millennium-goals/2015_MDG_Report/pdf/MDG%202015%20rev%20(July%201).pdf)
- United Nations Conference on Trade and Development (UNCTAD), 2013, “World Investment Report 2013. Global Value Chains: Investment and Trade for Development”, UNCTAD, Geneva.
- \_\_\_\_\_, 2015, “Trade and Climate Change Policy Beyond 2015”, Policy Brief No. 36, UNCTAD, Geneva.
- United Nations Economic Commission for Latin America and the Caribbean, 2010, “Clases medias y desarrollo en América Latina”, joint publication with SEGIB and Fundación CIDOB, January 2010. (In Spanish only.) <https://www.cepal.org/es/publicaciones/1408-clases-medias-desarrollo-america-latina>
- United Nations Environment Programme (UNEP), 2016a, “UNEP Frontiers 2016 Report: Emerging Issues of Environmental Concern”, United Nations Environment Programme, Nairobi.
- \_\_\_\_\_, 2016b, “The Emissions Gap Report 2016. A UNEP Synthesis Report”, United Nations Environment Programme, Nairobi.
- UNEP and WTO, 2009, “Trade and Climate Change. A report by the United Nations Environment Programme and the World Trade Organization”. [https://www.wto.org/english/res\\_e/booksp\\_e/trade\\_climate\\_change\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/trade_climate_change_e.pdf)
- United Nations Industrial Development Organization (UNIDO), 2015, “Trade Standards Compliance 2015. Meeting Standards, Winning Markets”. [https://www.unido.org/fileadmin/user\\_media\\_upgrade/Resources/Publications/TCB\\_Resource\\_Guide/TSCR\\_2015\\_final.pdf](https://www.unido.org/fileadmin/user_media_upgrade/Resources/Publications/TCB_Resource_Guide/TSCR_2015_final.pdf)

- United Nations Research Institute for Social Development (UNRISD), 2010, “Combating Poverty and Inequality: Structural Change, Social Policy and Politics”, ISBN 978-92-9085-076-2, United Nations, Geneva.
- van Veen-Groot, D. B., and Nijkamp, P., 1999, “Globalisation, transport and the environment: new perspectives for ecological economics”, *Ecological Economics*, Vol. 31, pp. 331–346.
- Wahl, Asbjørn, 2010, “How new social alliances changed politics in Norway”, in A. Bieler & I. Lindberg (eds), 2010, *Global Restructuring, Labour and the Challenges for Transnational Solidarity*, London: Routledge, p. 165-176.
- White, H., and Anderson, E., 2001, “Growth versus Distribution: Does the Pattern of Growth Matter?”, *Development Policy Review* 19:3, pp. 267-289.
- Williamson, J., 1990, “What Washington Means by Policy Reform”, Chapter 2 in Williamson, J., ed., “Latin American Adjustment: How Much Has Happened?”, Peterson Institute for International Economics.
- \_\_\_\_\_, 2004, “A Short History of the Washington Consensus”, Paper commissioned by Fundación CIDOB for a conference “From the Washington Consensus towards a new Global Governance”, Barcelona, September 24–25, 2004.
- Wood, E. M., 1997, “Labor, the State and Class Struggle”, *Monthly Review* 49(3): 1-17.
- World Bank, 1992, “World Development Report 1992: Development and the Environment”, Washington D.C.
- \_\_\_\_\_, 2012, “World Development Report 2012: Gender Equality and Development”, Washington D.C.
- Zunz, Olivier, 2002, “Introduction: Social Contracts Under Stress”, pp. 1-17, in Zunz, O., Schoppa, L., & Hiwatari, N., Eds. (2002), “Social Contracts Under Stress: The Middle Classes of America, Europe, and Japan at the Turn of the Century”, Russell Sage Foundation.