

argument-of-necessity (for example the *must* in the previous paragraph). I strongly suspect that for Dobbs-Higginson politics is the subordinate clause, the dependent variable, the handmaiden to business. One of its main purposes is to reduce uncertainties in the business environment. This is surely a legitimate expectation, or at least hope, for businessmen to have regarding government. But the political domain must cope with its own interests and constraints. The function of political analysis is to deal with them for what they are, not to hope or demand that they go away. It is regrettable that in the end this promising and interesting book fails to weigh political factors in the same scales as it does business factors. It is also surprising, since the author has the breadth of knowledge and astuteness to do this, and do it well.

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Defending Values, Promoting Change — Social Justice in a Global Economy: An ILO Agenda. Report of the Director-General, International Labour Conference, 81st Session. 75th Anniversary of the ILO 1919–1994. Geneva: ILO, 1994.

The oldest UN specialized agency, the International Labour Organization (ILO), established in 1919 to promote social justice in the workplace, is celebrating its 75th anniversary. The 1994 Report of its Director-General to the 81st Session of the International Labour Conference, here under review, is, therefore, occasion for special celebration.

Timing apart, this Report is significant for yet another reason: human rights in general, and worker rights in particular are “in”. *Social clauses*, setting the minimum code of conduct in employment and labour practices, are becoming integral parts of international trade relations and agreements. The Marrakesh Communiqué of the Uruguay Round of multilateral trade liberalization

referred to *social clauses*, while bilateral trade is, rightly or wrongly, being linked to worker rights as, for example, in the case of threatened withdrawal of GSP concessions by the United States for Indonesian exports in retaliation for lack of free collective bargaining in Indonesia.

Accordingly, as an organization ILO should be celebrating more than its birthday: it should feel right at home and reassured in its mission of greater social justice in the global workplace.

But, the Report under review is far from a confident, optimistic statement. On the contrary, it is a sober reflection about an organization in a state of crisis searching for (in the words of its Director-General) “a new overall assessment of [its] aims and means of action” (p. 3). A recent critic has gone so far as to liken the ILO to a dog which has “a soft bark and not much of a bite” (*Financial Times*, 2 June 1993). ILO’s Director-General, Mr Michel Hansenne, who was re-elected to a second five-year term just last year, is keen on restoring ILO’s pre-eminent role in adopting labour codes and conventions; but, as the critics are asking: what is the point of these conventions if they have no effect on working conditions, especially if ILO itself is unable to monitor them for enforcement?

Against this challenge, how is the ILO going about charting its future role? The Report, organized in five chapters, provides some interesting answers, often in bold terms.

Chapter 1 is an excellent introduction. It is concise and to the point, capturing the essence of challenges of a rapidly changing world: the disappearance of the communist bloc, the triumph of the market economy, the globalization of the economy and the decline of the Nation-State in an age of unprecedented technological innovation. The chapter identifies two major “new inequalities”, viz. (1) the re-emergence of poverty segments such as “social exclusion” in Europe and “the growth of an underclass” in the United States, in otherwise rich, technologically advanced economies growing but unable to generate enough jobs; and (2) a widening gap between rich and poor countries which is aptly described as “cruelly disappoint(ing)” (p. 18) to those who, in

the 1950s and 1960s, had placed such high hopes on international economic development *a la* trickle-down theory.

What then is the action plan of the ILO to deal with these challenges? Chapter 2 on values and structures of the ILO is noteworthy for articulating its self-image as "the social conscience of the world and of the United Nations system" (p. 35). Such high ambitions raise expectations.

The core of the Report is chapter 3. It is centred on ILO's future role in terms of standard-setting activities. The chapter begins by noting past achievements including the fact that during its 75 years of existence ILO has adopted no less than 174 Conventions while ratifications now total around 6,000. Collectively, these instruments constitute international standards for worker rights serving as guarantees for fair treatment and protection in the workplace for those most in need of such protection.

The chapter includes discussion of important questions of application and effectiveness, better utilization, performance evaluation and how to strengthen the authority of the organization. Many options and alternatives are examined, but always within the general context of the existing status quo. Thus, nation-states may decline, but, apparently, not the tripartite structure of the ILO itself. Likewise, "constitutional reform" of the organization is ruled out (p. 66). One can therefore ask: How can action plans with teeth be enacted to implement social clauses and enforce labour codes through a decision-making process based on inherently adversarial relations separating employers (who wish to have less standards in the work-place) and workers (who wish more social security and standard-setting) while the government side, caught in between, sees its policy-making authority slipping away under the weight of freer trade regimes and globalization of technology and business?

The Director-General hints at this "dilemma" (p. 48) but the matter is left to rest there. Surely, ILO itself needs to move into the post-modern age beyond nation-states? Is it not worth considering the possibility of transforming ILO into a World Bank-type institution ready to apply its standards

as "conditionalities" in the global workplace under an updated and agreed constitution? Otherwise, might not another body (for example the new World Trade Organization) take over these responsibilities?

The rest of the Report is devoted to other complementary activities of the ILO in the fields of information and analysis on employment and technical co-operation to its constituents. In the past, ILO has often been a leader in the field of employment policy and labour market analysis, having launched the World Employment Programme and pioneered such important contributions as the *Basic Needs Approach* and the *Informal Sector* paradigms in development studies (with significant independent input by academics such as Seers and Singer) only to see them taken over and adopted by the more influential international agencies like the World Bank. Nevertheless, these remain important contributions much to ILO's credit, hopefully not to be abandoned now.

On technical co-operation, the Director-General proposes a formula of *active partnership*. The formula is envisaged around a decentralized field structure, reinforcing area offices and setting up multidisciplinary teams in regional centres such as Bangkok and Manila. Whether or not these offices and teams will have the necessary in-depth knowledge as well as technical expertise to become useful partners for national governments is doubtful, while increasing reliance on national execution in the UN system raises further questions of relevance and effectiveness.

Chapter 5 and the brief conclusion contain a realistic self-assessment written with remarkable frankness. It is admitted, perhaps too modestly, that the organization has been unable to live up fully to the original responsibility entrusted to it in 1919, and that now it is up to the membership at the International Labour Conference to take stock of the situation and determine its destiny.

Clearly the world needs international labour standards no less than universal human rights. Moreover, there is a vital need for a competent international body to monitor and evaluate labour codes in the globalized economy dominated by

multinationals. To meet the challenge ILO would require a major shake-up for greater internal efficiency; at the same time, constitutional updating might be unavoidable to equip the organization with a mandate fit for a post-modern world that is so radically different from the one existing at the time of the Declaration of Philadelphia in 1919.

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***Challenge and Response: Thirty Years of the Economic Development Board.* By Linda Low, Toh Mun Heng, Soon Teck Wong, Tan Kong Yam and Helen Hughes.** Singapore: Times Academic Press, 1993. Pp. 519.

This is an important book for scholars who study why governments interfere with the marketplace to both lure and control multinational firms within their borders. This book is about one of the leading government agencies that do just that. Some would say that over the past two decades Singapore's Economic Development Board (EDB) has been the premier agency that many other countries have tried to emulate. For executives of multinationals who have felt its persuasive powers and officials of other countries who have watched it intercept and "turn" multinational investors headed for other destinations, there could be no doubt that the EDB would be the first in line if the Swedish Academy ever decides to award Nobels to government institutions.

This book is less of an evaluation of the EDB than a much needed recounting of its history. As the title indicates, Singapore's history is one of external (and to a lesser extent internal) challenges. The authors document how the EDB has responded to these challenges during the roughly three decades of its existence. To say that the book is never critical of the EDB or the Singapore Government would be unfair. But the authors (the Australian Helen Hughes excepted) are

employees of an institution funded by the Singapore Government, which at least to some external observers has on occasion treated harshly public servants who have had something critical to say about the government. The foreword is written by Dr Goh Keng Swee, described in the book as "the principal economic architect of Singapore" and "the latent force behind the EDB". If the EDB has ever had a major blunder, scandal or internal rift, you will not read about it here.

Still, to be fair, the purpose of *Challenge and Response* is to narrate the EDB's history, not to assess its performance. The book begins with a thoughtful essay by Helen Hughes, who suppresses her normal tendency to bash bureaucratic winner-picking long enough to express admiration for Singapore's "imagination and entrepreneurial flair to influence industrial and export growth". Helen Hughes' mavens may be astonished by her admission that the EDB has picked more winners than losers, though she does send a strong subliminal message to officials of other countries: "don't try this at home". According to Hughes, the EDB is *sui generis*, a theme echoed by the other authors.

Of course, the fascinating question is why the EDB should be *sui generis*. The prime minister who first recommended that I read this book comes from a country not too different from Singapore: a small economy, ethnically diverse, that has discarded import substitution for more export orientation. He can't understand why a similar agency in his country couldn't be at least half as successful as the EDB, which would be more than adequate in his view. The book only hints at how decisions to promote certain industries and to discard others, such as textiles, were made. Some attempts at explanation are fairly amusing. On one page, the word "right" appears five times, as in EDB setting the "right" macroeconomic policies to promote the "right" kinds of foreign investment and so on. My friend, the prime minister, and many others want to know where these people with the "right stuff" come from. The reader never gets a satisfying answer to this question but there are many other reasons to keep reading this book.