Panel (RC40): New World Orders/ The Challenges of Contemporary Global Social Governance

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Communication Title: From the G20 to the B20/L20: the reconfiguration of labour and business representation at the global level and the prospects for the democratization of global social governance

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Abstract

In September 2011, the business organizations of the G20 countries (Business 20 or B20) and the trade union organizations of the G20 countries (Labor 20 or L20) agreed on a common statement to be presented to the governments of the G20 gathered in Cannes (France) in November on « key elements that can make nationally-defined social protection floors relevant in all countries ». This paper therefore suggests to explore the role of the B20 and the L20 fora in the reconfiguration of global social governance.

Contrary to what might be seen as an increasingly « multi-actor » and « multi-level » and « more democratic » governance, the paper argues that the B20/L20 can be considered as a tool for three « old » institutions, namely the International Labor Organization (ILO), the International Confederation of Trade Unions (ITUC) and the International Organization of Employers (IOE) to reassess their role in the framing of contemporary global social policies and to reposition themselves as key actors in the formulation of global standards (such as the « social protection floors »). However, given the uncertainty regarding who is going to represented « business » worlwide, the limited inclusiveness of these fora, and the relative weak degree of accountability of these fora compared to already existing structures of global social governance, the democratic potential of the B20/L20 nexus needs to be questioned.
Introduction

In 2009, at the annual meeting of the World Economic Forum in Davos (Switzerland), Stephen Green, chairman of the banking corporation HSBC, suggested that the most important businessmen and corporations of the G20 countries should meet on a regular basis in order to give policy guidance to the Finance Ministers of the G20 countries. The “Business 20” or B20 concept was born and officialised during the G20 summit in Toronto (Canada) in 2009. Two years later, a few months before the G20 leaders summit in Cannes, trade unions representatives of the G20 countries gathered as a “Labour 20” or L20 and agreed with the B20 on a common statement to be presented to the G20 leaders on “key elements that can make nationally-defined social protection floors relevant in all countries”, thereby stressing the importance of taking economic and social questions into account (especially social protection and employment) in the making of global governance.

While the literature on the “G” summits (G7, G8, G20) and their consequences on both the “architecture” and political orientation of global governance is flourishing (Germain 2001, Hajnal 2007, Postel-Vinay 2009, Dejammet 2012, Albaret 2013) very little has been said about the nature, composition and impact of these summits on non-state actors, whether they are designated as “NGOs”, “civil society actors” or, more specifically here, “social partners”. This paper therefore explores the role of the B20 and the L20 fora in the reconfiguration of what is sometimes called “global social governance” or “social multilateralism”, that is to say the way social policies at national and supra-national level are shaped in the context of globalisation (Deacon 2007). What do these fora, that are neither formal organizations, nor informal networks, tell us about the ongoing process of cooperation in the field of social cooperation?

Looking at the genesis of these seemingly new fora, the paper shows the relationship between the attempts of the ILO to reassess the “social dimension of globalization” at the end of the 1990s and the institutionalization of a dialogue between B20/L20 in the aftermath of the economic and financial crisis. Analyzing the composition of these groups, the paper then stresses the high degree of competition between business organizations, especially between the IOE, the International Chamber of Commerce and the World Economic Forum, in order to represent global business worldwide. Interestingly, whereas the labour community seems quite united at the global stage, the business community appears to be everything but a unitary actor. The paper concludes by questioning the democratic potential of these meetings and their added value compared to the existing structures of the UN system and more particularly the ILO.

Since there is very few academic works on this question, the paper essentially relies on internal ILO debate records, especially at the Governing Body level, interviews conducted with representatives of employers at the ILO between 2011 and 2013 for a doctoral research, press releases and websites of the main organizations tackled in this paper (the B20 and the L20).

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1 According to a journalist from the Dong-A Ilbo Daily, the idea of holding the B20 meeting was suggested by G20 leaders at the Asia-Pacific Economic Cooperation summit in Singapore and the name “B20” was coined by President Lee Myung-bak. « Biz Talks Planned on Sidelines of G20 Summit in Korea », Dong-A Ilbo Daily, 5 décembre 2009.
1. Labour standards and social policy: a multi-actor field since the 1990s

1.1 Understanding the entrance of the social partners in the G20 game: from the ILO Decent Work Agenda to the G20 summit in Pittsburgh

In order to understand the emergence and better grasp the significance of the newly created B20/L20 fora, it is necessary to go back to the 1990s decade that has proved to be crucial for the framing of global social governance. Since the 1990s, social policy has been an increasingly disputed field at the international level (Deacon 2007 and 2013). The birth of the WTO in 1995 reinvigorated the debates on the social aspects of globalization (social clause debate in 1994-1998, Seattle’s protests in 1999, while the 1997-1998 economic crisis seriously questioned the neoliberal turn of the international financial institutions (World Bank and International Monetary Fund more particularly). The 1990s also shed the light on a new range of actors competing for the definition of social policies at the global level: the ILO, the oldest specialized agency of the UN system, but also quite “unexpected” players such as the international financial institutions (the World Bank and the IMF) in terms of employment policies, and the OECD and the International Standardization Organization (ISO) as regards corporate social responsibility (ILO 1998), thereby questioning the role of the ILO in this configuration. Hence, according to Francis Maupain, former ILO Legal Adviser:

“as much as the fall of the Berlin Wall seemed to have hailed the triumph of the ILO’s reformist social model, it also opened the floodgates to a truly global economy that represented a formidable challenge to the organization constitutional capacity to pursue its endeavour” (Maupain 2013:29)

In 1999, the newly elected ILO Director General Juan Somavia raised concern about what he saw as a possible retreat of the ILO from its competency area and struggled to impose, in a more proactive and visible way than its predecessors, the ILO as a decisive actor in the making of global social governance. The launch of the Decent Work Agenda in 1999 and the publication of the World Commission Report on the Social Dimension of Globalization under the auspices of the ILO in 2004 were essential in this recognition strategy. The breakdown of the financial and economic crisis in 2007-2008 clearly created a window of opportunity for an ILO that has continuously been critical of neoliberal policies, arguing instead in favour of social and economic policies that would give priority to the “real economy” over finance (Maupain 2013). According to an ILO official, the economic crisis was, for most ILO members, an “opportunity” that they could not lose (Louis, Interview, 2009, Brussels).

In June 2009, the International Labour Conference (the General Assembly of the ILO) adopted the Global Jobs Pact, a tripartite declaration formulating steps to follow in order for the economies to recover and to enhance jobs creation. In this document, ILO members stress the necessity for the ILO to be an integral part of the making of social policies in all global governance institutions, especially at the G20 level. The participation of the ILO to the G20 Summit in Pittsburgh (for the first time since the establishment of the G20 in 1999), followed by the endorsement by the G20 leaders of a report prepared by the ILO “Protecting People, Promoting Jobs” (ILO 2009), has therefore
been interpreted as a sign of the “new social orientation” of the G20 (Postel Vinay 2009: 54-55). Since then, the ILO, through the intermediary of its Director General, has renewed its participation to the G20 leaders summit. In parallel, the institutionalization of meetings of the Labour and Employment ministers of the G20 countries (in Washington, Cannes, Guadalajara and Moscow)\(^2\) confirmed the increase attention given to employment issues at the global level. The endorsement of the “social protection floor” at the G20 in Cannes in 2011 characterized by Bob Deacon as a “path-breaking” Summit (Deacon 2013:182) seems to have given the ILO a renewed legitimacy. For Bob Deacon the need and challenge for the ILO is to “re-inject the concerns of the real economy (jobs) and to re-inject social concerns (social protection) into the consideration of economic policy […] this implies a reversion of what was […] a mission creep of the World Bank and the IMF into the territory of the social” (Deacon 2013:182). Whether the participation of the ILO to the G20 Summits has enabled the organization to shift the balance away from the quite neoliberal orientation and of the G20 in terms of social policy still needs to be assessed (Deacon 2013, Maupain 2013)\(^3\). However, it clearly gave institutional leverage to the social partners in order to accede to the G20 level too.

1.2 The social partners entrance in the G20 game

In contrast to the majority of international organizations (UN and Bretton Woods system included), the ILO, which was created in 1919 in the aftermath of World War I, is composed not only of governments but also of the workers’ and employers’ organizations of the member countries. Although this tripartite system of representation and negotiation is quite common at the national level, it remains unique within the UN system. ILO members and staff have therefore always put tripartism forward as an added value compared to other organizations of the UN and Bretton Woods systems and always required that the representation of the ILO worldwide include this tripartite dimension\(^4\).

In November 2008, addressing the ILO Governing Body Jose Luis Zapatero, Spain’s Prime Minister, therefore strongly encouraged a representation of the tripartite members of the ILO, namely labour ministers, business and trade unions representatives, at the G20 level:

« it was not for the Office (the ILO Secretariat) alone to establish a tripartite presence within the G20, but for those governments to do so, as well, in their own countries and, indeed, for the employers and workers of the G20 also to do within the countries, thus representing the ILO fully »\(^5\)

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\(^2\) In addition to the already existing meetings of the Finance ministers of the G20 countries.

\(^3\) Francis Maupain, who has conducted extended research on the role of the ILO in the global economy, develops a rather sceptical view on the possibility for the ILO to act as a significant player within the framework of the G20 (Maupain 2013: 109) while ILO constituents, and especially the workers and the employers, are unanimously pressing around the G20 to make their voice heard at the G20 level, which has become, in less than a decade, the “place to be” to weight on the elaboration of the global agenda.

\(^4\) For instance in 1945 the ILO members insisted that the ILO be associated to the San Francisco Conference and the UN system and represented by a tripartite delegation: « The tripartite composition of the I.L.O., providing for the representation of labour and employers with an equal status to that of Governments, and its responsibility for the treatment of social and labour questions in the international field, make its association with the over-all scheme of international organisation a matter of special importance. » ILO, Minutes of the Governing Body (Min/GB), 1945-94, 30.

\(^5\) ILO, Min/GB, 2008-303, § 316.
In June 2009, the Employers’ spokesperson challenged the Governing Body, urging for a tripartite representation of the ILO at the G20 meetings thereby reflecting the ILO «special advantage»⁶. According to the employers’ group, the economies could only recover if workers and employers contributing to the policies of restoring economies:

« A first requirement was the restoration of confidence, which could only be achieved if all sectors of society were involved. The Employers’ group did not wish recovery to be selective. It should be for all countries and for all sectors. »

The *Global Jobs Pact*, adopted in June 2009, also clearly stresses the role of social partners in the process of economic recovering:

« Especially in times of heightened social tension, strengthened respect for, and use of, mechanisms of social dialogue, including collective bargaining, where appropriate at all levels, is vital. Social dialogue is an invaluable mechanism for the design of policies to fit national priorities. Furthermore, it is a strong basis for building the commitment of employers and workers to the joint action with governments needed to overcome the crisis and for a sustainable recovery. Successfully concluded, it inspires confidence in the results achieved. »⁷

Given the long tradition of tripartite dialogue within the ILO, the social partners (workers and employers) didn’t encounter any real difficulty to gain the support of the ILO member States. They particularly benefited from the strong support of the United States (under the Obama presidency), then from France, the Asia-Pacific Group and Brazil⁸. Right after the G20 summit in Pittsburgh, the « Labour Sherpas » agreed on a consultation process with the social partners. The first consultation took place in Geneva, at the ILO Office, thereby stressing the relationship between the forthcoming B20/L20 forum and ILO members⁹. As a result, although there were already B20 meetings taking place during the meetings of the G20 Finance ministers, the workers and employers gathered for the first time as “social partners” in September 2011 in Cannes (France) in order to prepare a common position to be submitted to the G20 leaders - one month later¹⁰.

1.3 Mapping the B20/L20 fora: not such a new configuration

Unlike international governmental organizations that provide list of members and delegations for each official meeting, there is no or only few data published on the composition of the B20 and L20 fora. While it raises questions - addressed later – on the

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⁶ ILO, Min/GB, 2009-305 § 18.
⁸ ILO, Min/GB, 2010-307, § 90.
⁹ ILO, Min/GB, 2010-307, § 77-78.
¹⁰ The employers went ahead of the workers by «labelling» themselves as «Business 20 » during the G20 summit in Toronto (Canada). Cf. http://www.b20businesssummit.com/b20. They renewed the experience in Seoul (South Korea). On the workers side, although the main international confederations agreed on a common position, they didn’t immediately follow the strategy adopted by the employers by pointing out the fact that they were part of the G20 countries. It is only in Cannes that the workers coined the «Labour 20 » while both the B20 and L20 were made permanent events.
accountability of these actors, it also renders the identification of stakeholders much more difficult. However, looking at the B20/L20 joint declarations and press releases related to the last four B20/L20 meetings, we can broadly map the main protagonists of these fora:

**Figure 1 : Mapping the “social partners” at the B20/L20 summit**

<table>
<thead>
<tr>
<th>G20 – leaders summits</th>
<th>G20 Labour ministers summits</th>
<th>L20</th>
<th>B20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pittsburgh, USA, September 2009</td>
<td>Washington, USA, April 2010</td>
<td>No L20</td>
<td>ICC, WEF, IOE</td>
</tr>
<tr>
<td>Toronto, Canada, June 2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seoul, South Korea, November 2010</td>
<td>Cannes, France, September 2011</td>
<td>ITUC, TUAC</td>
<td>Medef, French Federation of Insurance Companies, ICC, WEF (see also Figure 2)</td>
</tr>
<tr>
<td>Cannes, France, November 2011</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Los Cabos, Mexico, June 2012</td>
<td>Guadalajara, Mexico, May 2012</td>
<td>ITUC, TUAC</td>
<td>WEF</td>
</tr>
<tr>
<td>Saint Petersburg, Russia, September 2013</td>
<td>Moscow, Russia, July 2013</td>
<td>ITUC, TUAC</td>
<td>RSSP, WEF, ICC, IOE</td>
</tr>
<tr>
<td>Queensland, Australia, November 2014</td>
<td>Melbourne, Australia, September 2014</td>
<td>To be completed</td>
<td>To be completed</td>
</tr>
</tbody>
</table>

Drawing upon this chart, we notice that far from being *ex-nihilo* creations, the B20 and L20 meetings are the direct expression of an already existing tripartite dialogue between governments, workers and employers, based on already existing structures on both the employers’ and workers’ sides. However, it doesn’t exactly reflect the composition of the ILO: both in terms of scope (the ILO is universal while these fora are highly selective) and in terms of composition since the ILO gives pre-eminence to the ITUC and the IOE, while the representational landscape at the G20 summits seem much more fragmented and fluctuating, especially on the employers’ side. To understand the implications of this fragmented representation, we have to keep in mind some of the key « divisions » within both the labour and the business movement

As regards the workers’ side, the International Trade Union Confederation (ITUC), created in 2006 after the merging of the International Confederation of Free Trade Unions (ICFTU) and the World Confederation of Labour (WCL), has become, since the demise of the Soviet

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11 It might be interesting to discuss whether one should talk (or not) about a “business movement” as we do for the workers.

12 Created in 1949 after the dissolution of the International Federation of Trade Unions (1919-1945). The ancestor of the ICFTU is the International Federation of Trade Union or « Amsterdam International » first created in 1913 and reconstituted in 1919 after World War I.

13 Founded in 1920.
Union and the consequent decline of the World Federation of Trade Union (WFTU)\textsuperscript{14} the main «voice» of workers around the world with its 325 affiliates and 176 million workers located in 161 countries and territories\textsuperscript{15}. Although the ITUC is not the sole workers’ organization worldwide\textsuperscript{16}, its monopoly, both within the ILO, and at the global level in general, has not been seriously questioned during the last two decades. At the L20 level, the ITUC is working with the Trade Union Advisory Committee\textsuperscript{17} of the OECD, which represent workers only in OECD countries and whose scope of action remains more limited than the ITUC. However, both organizations share the same tradition of social dialogue: the ITUC within the ILO, the TUAC within the OECD. The same holds for the business counterpart of TUAC within the OECD namely: the Business and Industry Advisory Committee (BIAC).

Moving now to the business side, it has to be stressed that, like the ITUC, the IOE\textsuperscript{18} has a privileged relationship with the ILO where it has always been dominant in terms of employers’ representation. More than the ITUC, the history of the IOE is directly linked to the birth of the ILO, and its activity remains mostly oriented towards the ILO\textsuperscript{19}. Since the 1970s however, given the growing influence of multinational corporations who do not constitute the main part of the IOE membership, the IOE has had to reassert its monopoly in terms of business representation at the international level, while trying to expand its influence beyond the ILO since the 2000s.

The IOE had first to clarify its relationship with the International Chamber of Commerce\textsuperscript{20} (ICC) by delimitating their respective “spheres of influences”. In 1971, while the ICC recognised the IOE as the sole representative organization of free enterprises within the ILO, the IOE let the ICC deal with other organizations (especially the GATT and UNCTAD)\textsuperscript{21}. The IOE quasi-exclusive focus on the ILO explains for instance why it has not been very active during the negotiations of the UN Global Compact in 2000, where the ICC has clearly taken the lead, although it also falls, technically, into the IOE area of competence. In terms of composition, whereas the IOE represent business associations, the membership of the ICC is comprised of corporations (mostly multinationals), chambers of commerce and some business associations. IOE and ICC memberships might therefore overlap.

While most of IOE officials regard the relationship between the IOE and the ICC as being quite collaborative, the situation is quite different with the World Economic Forum (WEF). Better known as the “Davos Forum”, the WEF was created in 1971 by a Swiss economist, Klaus Schwab. In contrast to both the IOE and the ICC that represent business organizations on the basis of a mandate, the WEF gather business leaders in person, as individuals who don’t hold a representational mandate (at least not beyond their own corporation). The essence of the WEF was to provide businessmen but also leaders with ideas and guidance favouring business, but not in a representative way. Thus, whereas the boundaries were clearly defined until the 1990s, the G20 meetings, first organized at the Finance and Employment Ministers level before being extended to the sphere of employment, increasingly

\textsuperscript{14} Created in 1945.
\textsuperscript{15} http://www.ituc-csi.org
\textsuperscript{16} There are other international organizations of workers such as the Global Unions representing sectors of the economy for instance, but also regional trade union organizations.
\textsuperscript{17} Founded in 1948.
\textsuperscript{18} Created in 1949 in the follow up of the International Organization of Industrial Employers (1920).
\textsuperscript{19} The ancestor of the IOE, the International Organization of Industrial Employers was created in 1920, right after the first International Labour Conference in Washington in 1919, as a counterweight to the workers and a means to organize and control employers representatives who were not used to gather and negotiate at the international level.
\textsuperscript{20} Founded in 1919 in Paris and representing corporations and business associations.
\textsuperscript{21} Memorandum of Understanding. IOE Archives. The ICC has also developed a worldwide known jurisprudence and expertise on dispute settlements.
blurred the lines of this “division of labour” between these three organizations (Louis, Interview 2011, Geneva). While it is common to focus on the divisions of the labour movement, very few works have stressed the strong competition between employers’ organizations at the international level. In that regard, the relationships of the IOE with other business organizations within the framework of the B20 are particularly indicative of this competition. Contrary to the ITUC, the IOE is struggling much harder to assess its legitimacy to speak on behalf of business in other fora than the ILO. As stressed by the Canadian representative of employers in the ILO:

« in the employers side it is always going to be messy. In a way it’s not on the unions side because the unions do have a single coherent structure. » (Louis, Interview 2012, Geneva)

2. Representing Business: a competitive field

2.1 Business at the G summits: a brief history

Whereas relationships between the G7/G8 and trade unions were almost inexistent, contacts between the business sector and the G8 summits have been established since the end of the 1990s. According to Peter Hajnal: “The G7 and G8 have, for a long time, acknowledged the role of the business sector in a variety of ways. The G8 gave explicit recognition to the WEF” (Hajnal 2007: 96-97). Thus, the IOE was not part of the game, which was clearly overtaken by the WEF, especially since the 2005 G8 summit at Gleneagles, but also by the ICC and the BIAC (OECD). The enlargement of the G8 into the G20 clearly questioned this existing framework, especially for BIAC, since the G20 membership expands the OECD.

The struggle between the IOE, the ICC and the WEF in order to take the lead on business matters at the margins of the G20 meetings is first visible in the declarations that conclude every meeting. Indeed whereas the ITUC is at the forefront of the L20 process alongside with the Trade Union Advisory Committee of the OECD and signs all the documents, the question of who is actually leading the B20 process remains unclear. The leadership of the B20 seems both more fragmented at the international level and nationally led.

If we take for instance the B20 in Cannes, the B20 website makes no mention of the IOE, whereas the WEF, the ICC and the Consulting Firm McKinsey are designated as “partners”. The French Employers’ Organization, the Medef, a member of the IOE, presided the B20 delegation together with Maurice Lévy from the WEF and Gérard Worms from the ICC. Again, no mention of the IOE in the process. However, this formal absence can be balanced by the fact that the Medef is the only French business association recognised by the IOE, and one of its most important contributors. But looking now at the composition of the B20 in Cannes, it doesn’t exactly reproduce the structure of the IOE, although the majority of organizations remain the same (see Figure 2).

22 Although there has been some initiatives of the G7/G8 leaders to reach out to “civil society” and “NGOs”, trade unions, especially the ITUC, were never given the recognition they seem now to have gain through the G20 (Hajnal 2007: 103-140).
23 Note that the L20 documentation is only available through the ITUC website.
A year later, anticipating the G20 meeting in Los Cabos in Mexico, a joint letter was addressed by representatives of the L20 and B20 to the President of Mexico Felipe Calderon. Looking at the signatories, we see the names of Sharan Burrow (Secretary General of the ITUC) John Evans (Secretary General of the TUAC/OECD) and, on the business side, the names of Alejandro Ramírez Magaña (CEO of the multinational corporation Cinépolis and chair of the B20 Organizing Committee) and Bernard Spitz (President of the French Federation of Insurance Societies, co-signing as a «B20 member – Task Force on Employment»)25. Contrary to Sharan Burrow and John Evans, neither Alejandro Ramírez Magaña or Bernard Spitz are identified as representatives of employers organizations. Through these two individuals, it is in fact the ICC and the WEF which are represented26. According to a representative of Canadian employers interviewed in 2012 at the ILO, the Mexican government clearly chose the WEF as the representative of business over the IOE for the G20 (Louis, Interview 2012, Geneva).

In 2013, the picture is different but still fragmented and we need to distinguish between the G20 “Finance” in Saint Petersburg and the G20 “Labour” in Moscow (see figure above). In Moscow, the ITUC and the IOE, together with Russian workers and employers’ organizations, decided to hold a joint international press conference in Moscow in July 2013 in the name of both the L20 and the B2027. A few months later, in Saint Petersburg, the press only reports about the 400 CEOs gathered under the auspices of the G20 Advisory Group28, created by the ICC for the sole purpose of G20 meetings in June 2013 Whereas there is no mention of the IOE during the B20 meeting in June in Saint Petersburg, the ICC clearly pushes itself forward as the main voice of business around the world:

«The work of the G20 is a natural focal point for ICC, which has long had the responsibility as the voice of world business to convey policy priorities to government leaders. We are here to encourage the G20 to take a leadership role to lower trade barriers and unlock jobs and growth […] The United Nations, the World Trade Organization, the G20 and many other intergovernmental bodies, both international and regional, are kept in touch with the views of international business through ICC. »29

A few months before, in March 2013, two separate meetings took place, both speaking on behalf of the B20, in order to prepare the G20 Summit in Russia: one organized by the ICC in Berlin, the other one (a few days later) by the IOE in Geneva, at the ILO. Looking at the declarations, the attempt of both organizations to position themselves as the most legitimate

26 Alejandro Ramírez Magaña is a member of the ICC G20 CEO Advisory Group whereas Bernard Spitz, while representing a Federation is primarily identified as in charge of the Task Force on Employment, a group that was first created in 2012 under the auspices of the World Economic Forum in Davos.
27 Media Alert Labour 20 (L20) and Business 20 (B20) leaders set out plan of action ahead of G20 Labour and Finance Ministers’ Meeting, Wednesday, 17 July 2013.
28 « CEOs urge Putin to seek greater trade openness ahead of G20 Summit in Russia », M2 Presswire, 20 June 2013.
29 « CEOs urge Putin to seek greater trade openness ahead of G20 Summit in Russia », op. cit. Although the ICC stresses the cooperation with the main Russian business association namely Russian Union of Industrialists and Entrepreneurs (RSPP) which is the IOE affiliate in Russia, one might question the degree of cooperation between the ICC and the IOE since the IOE is nowhere to be found in the ICC declaration.
voices of business within the framework of the G20 is already noticeable. According to the chairman of ICC Germany in Berlin:

« The member companies of ICC are the everyday practitioners of the global economy and, consequently, have a clear stake in the success of the G20. Our objective today was to give these voices an opportunity to be heard and to be relevant to the global policy debates that ultimately impact their commercial opportunities, investments and trade. »

Ten days after the ICC/B20 meeting in Berlin, the IOE co-chaired a « B20 Task Force on Job Creation, Employment and Investment in Human Capital » during one of the ILO Governing Body session in Geneva, within the ILO Secretariat. Whereas there was no member of the ICC present at this meeting, it is interesting to note that the IOE endorsed the label « Task Force » which was first used by the WEF in 2012.

Moving now to the next B20 summit, which will be held in Australia in July 2014, the leadership has been overtaken by the managing director and CEO of Wesfarmers (one of Australian’s biggest company) and by a senior adviser at UBS. Wesfarmers is a member of the ICC G20 CEO Advisory Group (see Figure 3). Over the thirty members that constitute the leadership group, only one is a representative of an employer organization namely the Australian Chamber of Commerce and Industry, which is also the organization that representing Australian employers at the ILO. Once again, priority seems to be given to companies rather than employers confederations. On the workers’ side however, the leadership of the Labour 20 has been granted to the President of the Australian Council of Trade Unions, a member of the ITUC (an organization led by Sharan Burrow before she became Secretary General of the ITUC in 2010).

2.2 The IOE’s counter-strategy: the “most representative” voice of business

Thus, whereas the first two meetings of the B20 in Toronto and Seoul had left the question of leadership wide open, the last three years have proved to be much more competitive. Questioned in 2010 about the relationship between the IOE, the ICC and the WEF, a former IOE official stressed the increased degree of cooperation between the IOE and the ICC, especially on issues such as corruption but also Human rights and the common approach taken by the IOE and the ICC. However, there is a clear-cut view, shared by the majority of employers’ representatives at the ILO, that the IOE should take the lead whenever questions on employment and social policies are addressed at the global level. Interviews conducted with employers’ representatives in

30 « ICC seeks business input to G20 agenda », Trade Finance, 14 March 2013. As emphasized by the media, the ICC G20 policy consultation in Berlin was only one of a series of similar events sponsored by ICC since 2011: there has been meetings in Mexico City, Hong Kong, Zurich, Qatar, Istanbul, Washington DC, Beijing, Melbourne, Jakarta and Johannesburg. In 2013 meetings occurred in New Delhi, London, Riyadh, Buenos Aires, Sydney and Canberra. « CEO urge Putin… », op. cit.
32 « ManpowerGroup Chairman and CEO Jeffrey A. Joerres Presents Top Workforce Priorities to Sustain Global Economy at G20 Session », India Investment News, 18 June 2012.
33 In collaboration with BIAC and ISO.
Geneva between 2011 and 2013 have confirmed that the relationship between the ICC, the WEF and the IOE was not necessarily collaborative. Moreover, one of the major arguments of the IOE in order to impose itself as the most legitimate voice of business worldwide is its “representativity”.

Whereas the ICC is mostly seen as a serious and legitimate institution, IOE members insist on its lack of diversity, compared to the IOE. Without denying its legitimacy to speak in the name of business, the IOE argues on the basis that it is « more » representative than the ICC. According to an IOE official, the IOE is « twice as legitimate as the ICC » (Louis, Interview, 2011, Geneva) since it represents all types of enterprises gathered in business organizations with a much broader geographical scope than the ICC: the IOE gathers organizations in 143 countries whereas the ICC is established in only 120 countries.

IOE members also stress the fact that, while the ICC is essentially representative of multinational corporation, the IOE is representative of both MNEs and small and medium enterprises (SMEs) which constitute the major part of the « real economy ». According to a German Employers’ representative at the ILO, who is also close to the IOE Management Board:

« The ICC is only representative of some big companies, but IOE really represents 150 federations around the world, and these federations, in their countries, represent the whole sectors, the whole economy. That’s why it is truly the most representative employer’s institution in the world. » (Louis, Interview, 2011, Geneva)

According to the Australian Employers’ representative, the prominent weight of global companies within the ICC tends to dilute the influence of SMEs:

« it’s not a question of the ICC lacking representativeness, but my own view is that it is influenced heavily by the views of some global companies with less influence for the full economy actors which are, which include the SMEs [...] . So the IOE doesn’t suffer from that, so I think the IOE is a tremendously credible organisation in terms of representativeness. » (Louis, Interview, 2012, Geneva)

As regards the WEF, the IOE members openly denounce its lack of representativity. For the spokesperson of the Employers’ group at the ILO (who is also the Executive Vice-President of the IOE), the « real economy » (« real life ») is only represented by the federation (because of its diversity). He also points the finger at the governments that are suspected of favouring direct relationships with MNEs in order to bypass the traditional institutions of social dialogue:

« The World Economic Forum is in fact a meeting of companies [...] the federation represents the real life. And across the world looking at the different sizes of the companies, the different problematic and so on [...] sometimes it happens, from time to time, governments pick up some companies to have their testimony because they have much more visibility than the federations, or it’s much more easy to solve a number of problems because they have the money to do so. But it’s not realistic. » (Louis, Interview, 2012, Geneva)

For the representative of Brazilian employers, the WEF as a « case of marketing success » that « doesn’t speak on behalf of anyone »:
« The World Economic Forum doesn’t speak on behalf of anyone! The World Economic Forum is a meeting where people persons and very large type org speak – the World Economic Forum has not the same nature than the IOE, the World Economic Forum is a happening, it’s a happening! […] The World Economic Forum is a case of marketing success because of this: the big players in the economy want to be there because there are the TV, the radio, the press now what they say must be taken with precaution. But it’s not an employer organization, it’s a promotion, a meeting, a forum, it’s completely different. […] I think that here, not only in the ILO, here in the labour relations all over the world, the representativeness of IOE is undisputable. […] IOE is possibly effectively the most representative business organisations all over the world, because we have 140 members representing the main constituencies. And so we started another type of activities and we have enhanced relations with the organisations you’ve mentioned and many others and especially with OCDE and now we are totally involved at the G20. I think that in the labour relations the IOE is the first one without competitor.» (Louis, Interview with a Brazilian Employers’ representative, 2011, Geneva)

Thus, while the relationships of the IOE with the ICC seems to be quite collaborative, the animosity between the IOE and the WEF tends to qualify the idea that « business » is united all over the world and constitute a collaborative and homogenous transnational elite34.

2.2 Unexpected solidarities: playing the “ILO card”

In order to assert its leadership in the field of business representation, the IOE intentionally uses its experience at the ILO as an added value compared to the ICC and the WEF. Hence, the tripartite dynamic proves to be vital for the employers since they can benefit from a century long tradition of social dialogue with trade unions’ and governments’ representatives:

« The real relationship, and I’m not speaking about a partnership, the relationship has to be with the federations that represent the whole reality, as on the other hand with the unions, and not the other voices. » (Louis, Interview with the spokesperson of the Employers at the ILO, 2012, Geneva)

Whether this strategy is (or at least will be) successful or not remains wide open. It is indeed unclear whether the ITUC is willing to expand the “privileged” relationship it has with the IOE beyond the sphere of the ILO, especially since the ITUC might see the G20 summits as a good opportunity to deal directly with MNE on labour issues, a topic that the IOE has always been reluctant to tackle within the ILO. This is what happened during the 2013 meeting Moscow (mentioned above), where the ITUC, the IOE but also the ICC and the WEF were represented. While Sharan Burrow (Secretary General of the ITUC) and Brent Wilton (Secretary General of the IOE) decided to address the press together, thereby distanciating themselves from the other actors, the ITUC issued a declaration mentioning “social partners at

34 Moreover, studies realized at the European level have also stressed the contentious character of the relationship between different employers’ organizations, especially between those representing mostly small and medium enterprises (SMEs) and those representing MNEs (Michel 2013).
the G20 level” without discriminating between the IOE, the ICC and the WEF. Since the ITUC has been quite successful in diversifying its interlocutors worldwide, it seems that the IOE is more dependent from its relationship with the ITUC in the ILO that the other way around.

In addition to stressing its particular position as a “social partner” and strengthening its relationship with the ITUC, the IOE also puts forward its unique expertise in terms of employment and social policies:

« It has a much wider mandate, to deal with things. The ICC and many of the Global compact typically would have employment and workplace issues and labour relations issues as part of their mandate, but it’s not the main focus of their mandate. The unions might well disagree with me on that, but that’s my sense. So on employment and labour relations issues specifically, I think the IOE has evolved a degree of expertise that is helpful to the employers community. » (Louis, Interview with a Canadian Employers’ representative, 2011, Geneva)

Given the increased overlap between financial, economic and social matters, the “mandate argument” might be the most tangible one for the IOE. Whereas the IOE has historically tried to retain the ILO from expanding its mandate beyond labour relations, it might actually benefit from a growing role of the ILO at the G20. For instance, during the B20/L20 meeting in Cannes in September 2011, the President of the Medef at the time clearly linked the purpose of the B20/L20 declaration with the objectives of the ILO, stressing two of its major goals: fair competition and the establishment of « social protection floors »:

« The principle of this joint declaration is to say: everywhere, in every country, there must be a social protection floor. We, as entrepreneurs, have the responsibility to make things move forward. »

Supporting her view, the Minister for Employment and Social Affairs declared:

« We don’t want that social regulation of globalization be considered as a taboo. »

Those kind of declarations - which clearly replicate the ILO message all over the world – show that there is an attempt to place the G20 meetings, at the Labour and Employment level and maybe at the Finance level, under the auspices of the ILO, in order to reassess their role in the reconfiguration of global social governance. Just before the G20 Summit in Los Cabos in 2012, the Employers’ Group who had to counter the WEF, emphasized the role that the ILO and the social partners should take in the G20 process:

« the ILO and the social partners maintain a voice in the G20 process, since the agenda of the G20 should be the agenda of the international community. The voice of the ILO would make it possible to exert influence on the major themes pertaining not only to the financial agenda but to the real economy agenda and their social

37 Ibid.
effects. For this reason; it was important that the voice of labour and of employers
should be heard at the upcoming session in Los Cabos. »\textsuperscript{38}

3. Assessing the impact of the B20/L20 for the democratization of the global social governance

The debates on the democratization of global governance have flourished since the
1990s. Initiated by the advocates of “cosmopolitan democracy”, many academics have tried
to define the boundaries of a “democratic” community at the global level. Although there is
no consensus whatsoever on the definition of democracy worldwide, some features seem to be
recurrent in the literature. A vast range of studies then insists on the degree of inclusiveness of
global governance institutions (both in terms of actors and process) (Germain 2001, Keonig-
Archibugi & Zürn 2006, Young 2000). Other authors such as Jan Aart Scholte who initiated a
project on global democracy have insisted on the “accountability” of multilateral institutions,
understood as a “\textit{means} to constrain power and make it responsive to the people it affects
especially people who tend otherwise to be marginalized and silenced” (Scholte 2011: 16).
While it might be too early to assess the actual impact of the B20 and L20 positions on the
formulation of global social policies\textsuperscript{39}, it remains possible to address the two key aspects of
inclusiveness and accountability.

Starting with the inclusiveness criteria, it might be argued that the establishment of
two permanent consultative bodies representing social partners at the G20 meetings of
ministers of employment and social affairs is a first step towards the recognition of the
importance of social dialogue at all levels of global governance and of a more inclusive
governance. This would generally be the argument of both the ITUC and the IOE. Moreover,
by comparison to the G8, the G20 recognises that the scope of consultation should include
social partners from both the North and the South. Moreover, the multiplication of new fora
such as the Think 20 (T20), Youth 20 (Y20) and Civil Society 20 (C20) gathering other actors
from “civil society” might be seen as enriching the perspectives represented at the G20. The
comparison with the former G8 meetings clearly makes the G20 and the consequently
B20/L20 meetings appear positive in terms of democratizing global governance.

However, compared to existing structures of the UN system, such as the ILO, one
might wonder whether the \textit{G20/B20/L20 dialogue} really increases both the inclusive and
accountable character of global social governance. Indeed, not only is the ILO more inclusive
than the G20, but it is also more accountable. Whereas the International Labour Conference is
composed of 185 countries, each being representing (at least) by two government
representatives, 1 employers’ representative and 1 workers’ representatives, the ILO
Governing Body gathers 56 governments’ representatives, 33 employers’ representatives and
33 workers’ representatives. If we look at the composition of the ILO Governing Body since
1990 (see Figure 4), it clearly encompasses the composition of the G20\textit{n} although there is no
systematic symmetry between the two. And this doesn’t count the vast range of observers
(international organizations, NGOs, movements, etc) that take part to the ILO.
This is not to say that the ILO is a “model” of inclusion. As a matter of fact the ILO is quite

\textsuperscript{38} ILO, Min/GB, 2012-315, § 23 and 56.
\textsuperscript{39} According to Xinhua News Agency 35 percent of the 262 recommendation adopted by the B20 have been
reflected in the G20 leaders’ joint statements either as commitments or as mandates. There is no such statistics as
regards the input of the L20. “Business 20 opinion group plays bigger roles in G20 summitry”, Xinhua News
Agency, 4 September 2013.
selective in its membership, especially as regards employers, workers and other civil society actors and is also criticized for not being able to reach out to MNEs (Maurel 2011, Louis 2012, Maupain 2013). In that regard, the B20 gathers actors such as big companies and CEOs that are mostly absent from the ILO but that are decisive actors for both governments and trade unions in terms of employment policies. But in terms of the variety and number of actors (and this is one major argument of the IOE) the IOE and by extension the ILO remains more inclusive.

If we now look at the inclusion of social partners within the negotiation process, the ILO seems again more inclusive. Whereas they are only consulted within the framework of the G20, they are an integral part of the decision-making within the ILO (they have a right to vote and the consensus between workers and employers is required for the adoption of any normative instrument).

Moving now to the accountability criteria, while the G20/B20/L20 seem to have made the ILO and social partners more visible to the “public”, the way they operate (essentially under the form of high level meeting) make their follow up highly dependent on media-covering and on their own communication. Whereas the B20 meetings are quite well covered by the press, most of the information about the L20 meetings is produced by the ITUC and TUAC and available on the ITUC website. Moreover, the documentation available on these meetings varies from one summit to another. For instance, whereas the coordinating committee of the B20 in Cannes provided a list of all organizations represented (see Figure 1), there was no such data available either for the next B20 meetings or for the L20 meetings. This couldn’t be the case in any international organization of the UN system, which records every meeting and publishes the list of participants. Moreover, as regards the selection of participants, whereas the ILO has to follow a certain procedure verified by its Credentials Committee, there is no information on the way social partners are selected at the B20/L20 meetings, hence the confusion on the business part.

Conclusion

The case of the B20/L20 clearly shows the “ambivalent dynamics between clubs and international organizations” (Albaret 2012:518). Among the many interpretations that can be drawn upon this case, the ambivalent and, as for now, unpredictable character of the relationship has to be stressed. Indeed, while the social partners might use the G20 level as an opportunity to reassert their role and to promote the tripartite model of negotiation, the current competition among the three “heads” of the business community worldwide raises questions about the path that this tripartite cooperation will follow: either the ITUC/ICC-WEF scenario which will confirm the preeminent role of multinational corporations, or the ITUC/IOE scenario which might be a way to reassess the legitimacy of the ILO tripartite model.

At this point however, more research is needed in order to first better grasp the sociological and political background of the participants (who do these people and organizations represent?), second to assess their significance in the G20 process (to what extent do the B20/L20, who remain essentially informal and consultative, actually make a difference?), and then to put this global agenda in perspective with the politics of multilateral institutions (is there more of a competition or of a cooperation between the G20 and the multilateral system?)

Looking at the composition of the ICC G20 CEO Advisory Group, we see that it comprises only one employers’ federation namely the Russian Union of Industrialists and Entrepreneurs.
Figure 2: organizations represented at the B20 in Cannes and IOE membership
(separate file)

Figure 3: members of the ICC G20 CEO Advisory Group

<table>
<thead>
<tr>
<th>ICC G20 CEO Advisory Group Chairman</th>
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<tr>
<td><strong>SEB</strong> Marcus Wallenberg, Chairman and CEO (Sweden)</td>
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</table>

**Members**

| A’amal Group, Yassin S. Al-Suroor, President and CEO (Saudi Arabia) |
| Australia New Zealand Bank, Michael Smith, CEO (Australia) |
| Bayer, Marijn Dekkers, CEO (Germany) |
| Bridas Corporation, Carlos Bulgheroni, Chairman (Argentina) |
| Cinepolis, Alejandro Ramirez Magana, Director General (Mexico) |
| Corporacion America, Eduardo Eurnekian, Chairman and CEO (Argentina) |
| Corrs Chambers Westgarth, John W. H. Denton, CEO and Partner (Australia) |
| Daesung, Young Tae Kim, Chairman (Korea) |
| Danfoss Group, Niels B. Christiansen, President and CEO (Denmark) |
| Deep Roots Capital, Alexander Izosimov, Partner (Russia) |
| Doha Insurance, Sheikh Khalifa bin Jassim Al Thani, Member of the Board of Directors, Chairman of Qatar Chamber of Commerce and Industry (Qatar) |
| The Dow Chemical Company, Andrew Liveris, Chairman and CEO (United States) |
| Energy Transportation Group, Kimball Chen, Chairman & CEO (United States) |
| Eskihisar Group, Rifat Hisarciklogoğlu, Chairman, President of the Union of Chambers and Commodity Exchanges of Turkey (Turkey) |
| Eksom Holdings, Zola Tsotsi, Chairman (South Africa) |
| Fung Group, Victor K Fung, Chairman (Hong Kong) |
| GDF Suez, Gérard Mestrallet, CEO (France) |
| Great Eastern Energy, Yogendra Kr. (YK) Modi, Chairman & CEO (India) |
| Hanwha, Seung Youn Kim, CEO (Korea) |
| PT Ithabi Rektama, Ilham A. Habibie, President Director (Indonesia) |
| Infosys Ltd, Kris Gopalakrishnan, Executive Vice Chairman (India) |
| McGraw Hill Financial, Harold McGraw III, Chairman, ICC Chairman (United States) |
| MK Sanghi Group, Mahendra Sanghi, Chairman (India) |
| National Petrochemical Industrial Co, Jamal J. Malaikah, President (Saudi Arabia) |
| Nestlé, Paul Bulcke, CEO (Switzerland) |
| Novozymes, Peder Holk Nielsen, CEO (Denmark) |
| The Rasoi Group, Raghu Mody, Chairman (India) |
| Respol, Antonio Brufau, Chairman & CEO (Spain) |
| Rothschild Europe, Gérard Worms, Vice Chairman (France) |
| Royal Dutch Shell, Peter Voser, CEO (United Kingdom/Netherlands) |
| Russian Union of Industrialists and Entrepreneurs, Alexander Shokhin, President (Russia) |
| Schneider Electric, Jean-Pascal Tricoire, President & CEO (France) |
| Severstal, Alexey Mordashov, CEO (Russia) |
| Telefonica, Cesar Alierta Izuel, Executive Chairman (Spain) |
Figure 4: Representation of governments, workers and employers, by country, at the ILO Governing Body (1990-2014)

Origine des représentants au Conseil d'administration (1990-2014)

Gouvernements
Travailleurs
Employeurs

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