

## **International Labour Organisation Report- The Impact on the Disabled in Australia and in the World**

### **Abstract**

The International Labour Organisation Report (1999/40) mentions that globalization boosts economic growth but risks widening social inequality amongst the disabled.

### **Introduction**

The International Labour Organisation Report (1999/40) points out that “trade is associated with greater labour market turnover, with particularly detrimental consequences for workers with only modest transferable skills.”

In contrast “the adoption of new technology in response to greater pressure from international competition has tended to increase the demand for skilled labour, to the disadvantage of unskilled workers”, the report says.

Globalisation has little discernible impact on eliminating social inequalities or promoting social progress. Gaps between winners and losers from globalisation have generally tended to deepen as income gaps widen and state resources to improve the lot of least privileged citizens diminish.

Resources to aid disadvantaged groups appear to be tightening: “The study documents a near universal trend towards lower taxation on high incomes, suggesting that the tax system is becoming less distributive.” Between 1986 and 1998, 67 out of 69 countries examined “had witnessed a decline in the maximum rate on high incomes.”

If the trend continues, the report warns, “governments will soon be deprived of an important mechanism that can help correct income inequalities.”

The report also highlights concerns of developing countries that globalisation “has rendered their economies more vulnerable to international shocks, especially where their export base is very narrow and their exposure to changes in the terms of trade is correspondingly high.”

The report underscores concern about volatility of short-term capital flows, notably in countries where internal financial institutions are probably too weak to sustain the large swings in short-term capital movements engendered by free capital mobility: “there is danger that short-term capital flows, far from being a mere reflection of economic fundamentals, will determine exchange rate fluctuations and, consequently, output and employment.”

### **Conclusion**

The report advocates a strengthened ‘social pillar’ for development

**References**

International Labour Organisation Report, 1999, Geneva, No 40.

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