MAY 2009

GETTING THE WORLD TO work

Global Union Strategies for Recovery

Global Unions

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PREFACE by Aidan White

There is no escaping the despair caused by recession and economic decline. Across the world millions of workers and their families are suffering because they cannot keep their jobs and cannot get work as the deepest recession since the 1930s begins to bite.

The misery of mass unemployment is felt everywhere. In the United States job losses began in the first days of 2008 and accelerated after the financial crash in October with 3.3 million jobs lost in the last six months alone. There are fears that unemployment will reach 12 per cent.[1] In Europe the jobs crunch is just becoming visible. The European Commission predicts a jobless rate of 9.5 per cent next year. Many economists fear it will be higher.

All the predictions are gloomy. With production falls in Japan and the emerging Asian economies included, the International Labor Organization predicts an increase in jobless figures of 50 million across the globe. Even this is thought to be an optimistic figure. Workers are facing the ordeal of a slump that has no precedent in their lifetimes.

At this critical moment, trade unions are mobilising. They have developed a vision for the world economy that goes beyond tinkering with regulation and repairing broken models of free trade. They argue that it is time to forge a new policy landscape that will create a fairer and more sustainable world economy for future generations.

It is a vision that fits with the history of our time, arguing for the elimination, once and for all, of extreme capitalism and the unrestrained greed that have perverted so much of the global financial system.

In this special publication, the Global Union Federations, working with the Trade Union Advisory Committee to the OECD and the International Trade Union Confederation, set out alternative strategies for the global economy that are focused on getting people back in work and for a recovery plan based on humanitarian values.

These arguments, agreed by Global Unions, were put before world leaders in Washington in November 2008 and were put on the table again at the meeting of the Group of 20 in London in April 2009. Put simply, unions demand a change of direction and a break with the greed, self-interest and inequalities of the past.

For full details of the results of the G20 summit in London see http://www.londonsummit.gov.uk/resources/en/PDF/final-communique and catch up on the Global Unions' analysis at www.ituc-csi.org and www.tuac.org.

[1] *Economist* March 14th 2009

INSIDE

G20 OPENS THE DOOR TO CHANGE
Time to Press Ahead with the Union Agenda

BY GUY RYDER

Jobs and social issues are on the global agenda for recovery thanks to trade union pressure on world leaders at the G20 summit in London. Our demands for change – set out in this publication – have produced tangible results." But the heavy lifting for a significant turn around in international economic policy is still to be done.

Unions have responded robustly to the challenge to eliminate the reckless self-interest and the greed which according to Dominique Strauss-Kahn, Managing Director of the International Monetary Fund, speaking with a Global Unions delegation in January of 2009, is the root cause of the current crisis. "We have to find a way to contain that greed," he said..

A start was made in London. World leaders agreed that the International Labour Organisation (ILO), the only tripartite body in the United Nations system will take part in follow-up to the summit to be held in New York later in 2009 and will assess actions being taken to create jobs.

The summit also supported further discussion on a "charter" proposed by German Chancellor Angela Merkel and others to achieve a new global consensus on the key values and principles for sustainable economic activity. This is an opportunity for unions to press home their demands for a change of tone and substance on workers' rights that will integrate social justice into a coherent global agenda.

There will be more money – an extra 1.1 trillion dollars in fact – put into the pot to encourage more lending, but the bulk of it will go to the IMF where concerns still remain about the "strings attached" strategy of IMF loans which often force national governments to impose cuts on jobs and services at home in return for economic support.

Importantly, the summit agreed to strengthen international financial regulation, including of hedge funds, and there was agreement to take action against tax havens that don't follow guidelines of the Organisation for Economic Co-operation and Development (OECD) and, if necessary, to impose sanctions on those who step out of line.

G20 leaders have responded to union calls for a global solution which stresses the importance of "the needs and jobs of hard-working families," the need to "restore confidence, growth and jobs" and job saving and creation as a central purpose of fiscal expansion. The summit conclusions call for creating employment opportunities for those affected by the crisis, including income support measures; building "a fair and family-friendly labour market for both women and men"; and supporting employment by stimulating growth, investing in education and training, and active labour market policies, focusing on the most vulnerable.

But it's not enough. Just how much more needs to be done was highlighted on the eve of the summit when the OECD published its interim forecasts showing the global economy shrinking by 2.7 per cent, even more in richer countries, and as a result unemployment is likely to double over the course of the year in some major economies.

Unions must strengthen their calls for a global jobs pact that will put employment at the heart of recovery. The union campaign around the World Day for Decent Work on October 7 now becomes a focal point for international solidarity to get people back to work and the economy moving again in every corner of the globe.

London has opened the door, but the fundamental changes that will bring about a recovery based upon a new values-based direction for the global economy have still to be made. Governments must begin work on a framework of governance that changes the failed system of market fundamentalism that has dominated policy for the past three decades and which has had such a devastating effect on the lives of millions. Subjecting the economy to democratic control and building fairer societies means combining re-awakened values with strong, efficient, and responsive governments committed to collective action.

The current crisis is too deep to be ignored. It is no time for cosmetic treatment or fine tuning of regulatory machines that have utterly failed to keep in check the reckless capacity of financial markets to do lasting damage.

The simple objective is to come out of the crisis with an economy that is more just and, therefore, more sustainable. This crisis gives us the chance to develop solutions to the long-term scourge of poverty and the urgent challenge of global warming. It provides opportunities to create jobs in the short term as well as developing sustainable industrial policy that will generate long-term stable employment, so that when economic growth and employment creation resume, it can be cleaner, greener, and healthier.

But this crisis cannot be fixed behind closed doors by a small, exclusive group of those who have helped create the crisis in the first place. The new architecture should contain greed rather than protecting it. That is why we insist on an open political strategy where, among other things, the voices of many millions of union members can be heard through their Global Unions.

Guy Ryder *is the General Secretary of the International Trade Union Confederation.*

United **Action**

BY ANITA NORMARK AND JIM BAKER

THE MISSION STATEMENT OF THE COUNCIL OF GLOBAL UNIONS, SIGNED IN JANUARY, 2007 SAYS IT ALL – "TO ORGANISE, TO DEFEND HUMAN RIGHTS AND LABOUR STANDARDS EVERYWHERE, AND TO PROMOTE THE GROWTH OF TRADE UNIONS FOR THE BENEFIT OF ALL WORKING MEN AND WOMEN AND THEIR FAMILIES." NEVER HAS THIS SIMPLE EXPRESSION OF SOLIDARITY BEEN MORE NEEDED THAN IN THESE TROUBLED TIMES.

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The recession that has followed on the heels of the financial services collapse has reinforced the need for partnership between organisations representing national centres and those representing sectoral unions. This is the time when unions need all the political and industrial muscle they can muster.

This publication outlines a strategic response to the global crisis from the international trade union movement. The ideas set out here are being put before the international community and world leaders, not to duplicate work already being done by individual Global Unions, individually or collectively, but to raise a single, unified voice in favour of a recovery strategy that puts people first.

The Global Union movement takes strength from concerted activity. It serves as a forum for sharing information and ideas and as a catalyst for action and co-operation that is valuable to the international trade union movement as a whole.

Nearly all of the actions of the Council of Global Unions relate to organising and trade union recognition. It may be working to effect changes in labour legislation and its implementation so that workers are free to form unions without fear. The effort to provide international support for the effort of the US trade union movement to adopt the Employee Free Choice Act is one such and very important example.

Other countries are also being identified where we can combine our political and industrial force to give workers a chance to exercise the right to organise their unions and bargain. That includes country targets as well as collaboration in Export Processing Zones.

The increasing numbers of precarious and informal work relationships throughout the world have also become a serious barrier to organising, bargaining, and building trade union strength. Workers outside the orbit of regular, direct employment contracts, live in a twilight world of precarious work often without any social, legal or bargaining protection. And, even those protected on paper are often afraid to organise and risk losing employment. "Disposable" workers have been the first victims of the economic crisis. Co-operation in this area, facilitated by a working group, has been one of the highest priorities of Global Unions. We must come out of this crisis with a restoration of the idea of regular employment not only for the sake of the affected workers, but also to help to block an employment "freefall" whenever economic troubles hit. This global work is advancing rapidly due to tight co-operation among Global Unions on policy, including with intergovernmental bodies, and on sectoral work in the areas of organising and industrial relations.

Global migration is another increasing phenomenon affecting organising possibilities, especially in some sectors like construction, health and service sectors. Therefore, joint work has been initiated on migration, an issue that has both a policy dimension and sector-specific impact. In the coming years millions of workers will be crossing continents in search of work and a better life and co-operation among Global Unions is seen as a way of strengthening both policy and sectoral responses.

Also important are efforts to influence the impact and role of multinational companies on global and national markets. They are often operating with turnover budgets bigger than many national budgets. This also has an impact on national labour markets and opportunities to organise workers and defend their rights. Global social dialogue between several Global Union Federations and individual companies has expanded enormously over recent decades, including though the negotiation of over 60 international or global framework agreements with multinational corporations. The Council of Global Unions is gathering and exchanging information on company strategies and framework agreements.

Fulfilling our trade union ambitions is not possible, however, without good laws that fully protect rights and that are enforced. That requires governments that work and a rehabilitation of public service values. The economic crisis underlines the folly of "contracting out" public responsibilities and the public good to those who are driven by profit. The wide range of issues from quality public services to fair and adequate taxation, to the vital links between public rules and private conduct and performance to economic and social justice are being examined together by Global Unions. A "recovery" with government back in the closet after the banks are back on their feet or with public service values crowded out by private profit will re-sow the seeds of market meltdown.

To make the most of this wide-ranging Global Unions' programme and to help its members communicate better with their members and the general public, elements of a unified, coherent campaigning and communications strategy are being developed. A task force brings together Global Unions to develop common communications approaches and tools, including making further advances into the internet age. This publication is itself an initiative of the task force.

It is impossible to examine the options for recovery without addressing the growing inequality inside and among countries. Poverty and unemployment are expanding so rapidly that figures become almost instantly out of date.

A response to the economic crisis is not just about financial regulation and oversight; any recovery must deal with inequalities and injustices and forge a new approach in government policy, directed towards increased scope for collective bargaining as a process to redistribute wealth and to promote equality. The impact of discrimination based on gender, national status, race, religion, and other considerations is growing as the financial, food, and energy crises worsen.

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All of these issues provide a rich and plentiful agenda for union action. Success is not guaranteed, but progress will be made so long as there are better communications and stronger ties between the national and international communities of labour. Working together to promote international labour standards to defend workers rights to organise and bargain collectively, promoting industrial co-operation, new laws and a liberating policy environment as well as action at workplaces, will bring its rewards. The recovery from the mess created by global capitalism will take time and will be painful, but the international labour movement is determined to put coherent and effective trade union strategies for rights and growth into the mix of solutions.

Anita Normark, *General Secretary of the Building and Woodworkers International, is the Chair of the Council of Global Unions*

Jim Baker *is Co-ordinator of the Council of Global Unions*

Future **Fuel**

MANFRED WARDA

LIKE OTHER GLOBAL UNIONS THE INTERNATIONAL FEDERATION OF CHEMICAL, ENERGY, MINE AND GENERAL WORKERS' UNIONS (ICEM) HAS REACTED QUICKLY TO PUT THE FINANCIAL CRISIS AND THE GLOBAL RECESSION INTO THE CENTRE OF ITS WORK.

Meeting on 6 November, 2008 in Geneva, at a time when the world was still in shock at the extent of the global financial collapse, the Federation's leaders did not mince words.

In their statement the ICEM Presidium said this was a turning point in history, proof that the current system of capital has not worked and called for change – in particular the creation of a new and fairer system of global capital based upon "stringent financial oversight and governance, including a new set of global regulations."

Union leaders know better than most that those people of the world least responsible for the collapse are the most vulnerable, worst affected, and the least able to cope in the aftermath of the crisis.

All ICEM Industries are affected. It is clear that 2009 will bring a deeper impact. The collapse of motor industry sales instantly affects the tyre, rubber and plastics sector. Workers in the flat glass industry are part dependent on the auto sector and equally affected by the downturn in construction. Reduced raw materials prices are taking their toll on the mining sector and general chemicals.

But the crisis and recession must be no excuse for making the situation worse by easing up on international commitments to development of the world's poorest economies.

The ICEM Presidium says that the world's financial institutions and the international community must not abandon existing commitments regarding project development in the countries that need it the most, or to abandon or diminish work to achieve the Millennium Development Goals.

For its part the ICEM plans to use its links with the Council of Global Unions to help forge a labour campaign that will see a radical transformation of the global economy – more stringent financial oversight and governance and regulations that will stick as well as opening the door to a new order in which more developing countries are brought into the process of monitoring and controlling global capital.

In the energy industries, and specifically oil, the economic turmoil and recession is made more uncertain by the impact of the downward price of oil.

Globally, the world remains overwhelmingly dependent on fossil fuels. While oil remains the world's leading fuel, over the last 6 years it has consistently lost global market share – principally to coal.

The growth in coal and increased demand for oil, have been driven by the expanding economies of China and India. Indeed the Asia-Pacific region accounted for two-thirds of global energy consumption growth in 2007, rising by an above average 5 per cent. China again accounted for half of global energy consumption growth.

Most forecasts predict that by 2030, with oil in the lead, fossil fuels will continue to provide more than 85 per cent of world energy needs. The total contribution of non-fossil fuels to the mix will grow but from a low initial base.

Energy demand in the short term is falling as manufacturing industries contract. Demand plummeted in the latter part of 2008 and global oil stockpiles grew. In the third quarter of 2008, United States oil consumption shrank by about 1 million barrels per day – that's around a 5 per cent decrease. By the end of 2008 it had dropped by 6.5 per cent. Further declines are expected in 2009.

Oil prices since the beginning of 2008 have been volatile. Increased demand in emerging economies, worries over future supplies and regional instability, as well as outright speculation saw the benchmark price of crude oil rocket to almost $150 a barrel and then plummet to levels of around $40 a barrel. Percentage changes in the price have seen fluctuations of rising or falling by 12 per cent or more in just one day of trading in January 2009.

The impact has been clear. The falling prices have led to the cancellation or postponement of a number of oil industry investments. Prices will remain low for the period of the depression, exploration efforts will slow and there will be a surplus of production capacity over demand.

However, the price will rebound. With industry cutting back on investment, there will be less capacity to meet rising demand when the world economy does recover.

The world is not faced with the end of oil and gas supplies although it is very likely that we can already see the end of "cheap" future oil reserves that cost only a few dollars a barrel to produce.

IMAGES © M. CROZET/ILO

"The world is not faced with the end of oil and gas supplies although it is very likely that we can already see the end of "cheap" future oil reserves that cost only a few dollars a barrel to produce."

Such fields are only in the Middle East, in shallow onshore wells with relatively simple geology. Iraq is probably the only country where such reserves are presently under-exploited.

But there remains a large and increasing resource base, that together with the vast amounts of nonconventional oil capable of being exploited, there is enough oil to meet the world's needs for the foreseeable future.

What is an issue, however, is the deliverability of the required oil. Future production will be heavily focused on resources in deep and very deep water offshore. It will be in hostile and environmentally sensitive environments such as the Arctic Region as well as so-called "nonconventional" supplies including oil-sands, oil shale and heavy oil deposits.

Northern Alberta in Canada, for instance, has the world's largest tar sands reserves at an estimated 174 billion barrels of oil. Extraction remains expensive with many of the massive projects under development requiring oil prices of around $75 per barrel.

Even these massive reserves are potentially dwarfed by the United States seams of underground oil shale in the Rocky Mountains that are said to contain an estimated 800 billion barrels of oil – about three times the reserves of Saudi Arabia. Extraction would be expensive and require massive amounts of water.

This likely continued dependence of the world economy on fossil-fuels creates major challenges regarding climate change.

The world works when it has the energy it needs, but it will have to make sure that it makes the change to a sustainable future that will create more jobs and improve the quality of life for all. That is why addressing the challenge of climate change is, like the need to put people first, one of the key demands as unions develop their own strategies for a durable and lasting recovery.

Manfred Warda *is the General Secretary of the International Federation of Chemical, Energy, Mine and General Workers' Unions*

Decency for a Change

BY MARCELLO MALENTACCHI

GOVERNMENTS AROUND THE WORLD HAD PROBABLY NO OPTION OTHER THAN TO RESCUE THE CORRUPT FINANCIAL SYSTEM THAT CAUSED THE ECONOMIC CRASH WE ARE PAYING FOR TODAY. BUT IT IS A BAIL-OUT THAT COMES AT A HEFTY PRICE FOR WORKING PEOPLE.

Millions of industrial and service jobs have been eliminated during the last few months. Most of them, mainly held by young people and women, come from the most vulnerable parts of the workforce – those on short term contracts, working part time, or locked into other precarious forms of work.

It is undeniable, but hardly useful, to say that what happened was predictable and could have been avoided. Trade unions at all levels, not least on the international scene, have warned that unregulated speculation would be the ruin of the financial system. We argued that what was needed was control exercised within the orbit of national governments and parliaments, as well as agreed rules for governance operated through democratic international institutions.

It is scandalous that it took only a couple of weeks for governments in the rich parts of the world to collect more than US$ 2,000,000,000,000 (that's right, two thousand billion US dollars) to bail out banks, insurance companies and other financial institutions on the brink of bankruptcy when we know that ten years ago, when the UN asked for a tenth of that amount to halve the poverty afflicting the world's poor, hardly anyone moved a finger to collect that money.

Market economy based on speculation and uncontrolled capital movement is not the solution to the problems the world is facing. We know that very well, which is why the bail out will not be the solution to the crisis if measures taken by the governments in the USA, Europe and Japan are not conditioned by direct state intervention. If the state does not show its hand clearly, the so-called rescue will only feed yet more speculation.

At the same time, beyond the crisis of financial institutions, new industrial policies are required to get economies moving and these must be based on the priority of creating sustainable employment.

The world needs a financial banking system that functions as a motor for progress and provides the drive for the development of a stable and sustainable economic system. Banks and insurance companies need to be bound by rules that are determined not by vague, ambiguous and self-serving voluntary codes of conduct but by laws and international rules that are recognised by all governments.

More importantly, the present crisis should be the wake-up call that forces the world to rethink our economic and social models. We need to reshape the agenda of economic and social organisation to give priority to more security for working people and to bring humanity and an ethic of solidarity into play. The measure of success of policies adopted today will be in actions that will generate stable employment and encourage redistribution of wealth rather than a return to the volatility of markets and short-term profit-taking.

In a civilised world everyone should have access to an adequate job in an economy geared towards producing wealth and providing opportunities for self development and self reliance. These are the fundamental goals for the economic, social and political system for the modern society.

The recent crisis has been caused by speculation through capital movements within the network of stock exchanges around the globe. But wealth for the


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people can only be based on the production of goods and services.

The enormous sums of money that governments have decided to put up to rescue financial institutions must come from somewhere. People might believe that those funds are resting in the vaults of the central banks and can be made available as soon the decision is made. But it is not that simple.

The equivalent of 2000 billion dollars has to be generated through added value from the productive apparatus. Only then can it be distributed to the financial institutions which will then feed it through the system to companies and private persons. What the governments are ready to do is to issue bonds that will give the warranty for future debts contracted by the banks.

In other words future generations will have to create more added-value to repay the debts being built up by today's decision makers.

The legacy of our generation will not just be failure to secure better standards for our children and grandchildren, but we will leave an increased burden of debt as a result of the present financial crisis.

Our society is based on consumption. The paradox is that we cannot consume if we don't produce and if we don't produce we cannot consume either.

None of this points towards a regression towards rural economies or the primitive models of economy based on exchange of goods.

But this is a time when we need to clear our minds and think again about how we reinforce and strengthen the core values on which we believe society should be built.

The system of private capital has come up short. It is demonstrably not the model equipped to solve the enormous problems facing a world challenged by poverty, inadequate health care and sanitation, ignorance and poor education, climate change and water shortage, migration and modern slavery, and the scourge of want that afflicts millions everywhere, but especially Africa. All of these and many other problems remain unsolved despite promises that globalisation of the world economy driven by free market economics would provide solutions.

It was said that the market could take care of itself. There was no need for any form of state intervention or control. Now we see the consequences of foolhardy liberalisation of the economy first encouraged by Reagan and Thatcher and then taken up by others including many progressive and social democratic parties and governments.

We need a new course. We can start by aiming for fairer distribution of the world's wealth. In this the trade union movement at national, regional and global level has a great role to play. Through collective bargaining we can begin to renew the dialogue that leads to fairness, reward and justice for the people who have been forgotten in the rush to shore-up the creaking apparatus of globalisation.

The crisis can be resolved and a return to decency is possible, but that will not happen unless we give voice to those at work. That involves making sure that the right to organise and the right to bargaining are the foundation stones of a new economic and social structure that will provide us with the means to ensure that we are never again held hostage by slick and shady global marketeers.

Marcello Malentacchi *is General Secretary of the International Metalworkers Federation.*

Capital Al

PETER WALDORFF

AFTER 30 YEARS OF MISMANAGEMENT, THE PUBLIC SECTOR IS BEING CALLED UPON TO CLEAN UP THE MESS CREATED BY UNRESTRAINED AND LARGELY UNREGULATED GLOBAL CAPITALISM. WE ARE EXPECTED TO PAY FOR THE INSATIABLE GREED OF CORPORATE EXECUTIVES AND THE MISTAKES OF MARKET FUNDAMENTALISTS. IT IS DEEPLY IRONIC THAT ONE OF THE MAIN TENETS OF THEIR DISCREDITED IDEOLOGY WAS TO SHRINK GOVERNMENT EITHER BY DEREGULATION OR BY PRIVATISATION, BUT IN THE FACE OF OBLIVION THE GOVERNMENT IS CALLED ON TO SAVE THEM AND TO REPAIR THE DAMAGE OF YEARS OF ABUSE OF THE PUBLIC WEALTH.

Jeffrey Sachs in an article in *Time Magazine* in January 2009 calls for bigger government. It is an appeal to decision makers on the need to accept that government and public services are part of the solution and not part of the problem.

Media scare-mongering about billowing public deficits cuts little ice in the real world. A recent study of Public Services International Research Unit (PSIRU) makes clear that the crisis is not caused by excessive government borrowing. PSIRU concludes that while the United States, the United Kingdom and some other European Union countries are increasing their deficits substantially as a result of nationalisation and reflationary measures, there is no sign that they will find it difficult to finance these deficits.

Although a small minority of countries have serious deficits and problems financing them, including Pakistan, Hungary, Ukraine, Iceland and Turkey, there is not a general crisis of government deficits in other developed countries, nor in developing countries.

It is clear that the market fundamentalists have done their damage. But they still control vast resources, whether financial, political or intellectual. They continue to exercise lobbying muscle to block legislation that may be harmful to their interests. And they will attempt to redefine the arguments, even around the public bailouts that are needed to pay for their excesses.

Public Services International is currently collaborating with the ITUC on efforts to inject the rights of workers and their families into the debate about new financial architecture and the economic stimulus packages now being rolled out, whether it is at the level of the G20 countries summit or in the Organisation for Economic Co-operation and Development. We are also working with other Global Union Federations to put public services at the heart of strategies for recovery. The arguments for respect for public service values in the services that are needed for society to function have never been so important then at a time when the private sector has inflicted such terrible damage on communities around the world.

Current programmes for infrastructure investment are a way to provide the economic stimulus needed to decrease the impact of the current global recession and to improve the quality of life for all. Governments are spending billions on improving infrastructure, primarily as a means of economic stimulus, and it is vital that we ensure this public money is used to strengthen the rights and conditions of all workers.

What we do not need are more excuses for privatisation. We must make the case, and forcefully, that privatisation has failed, costs too much, and doesn't meet the needs of our fami-

ternative

“One area where public service workers have felt the chill of recession and financial collapse is the threat posed to capitalised pension funds of public sector workers. Funds invested in equities or in private equity, hedge funds and sophisticated debt instruments have lost huge sums.”

lies and our communities. There is no excuse for inefficient, non-transparent and non-responsive governments or public services. Public services can, and must be improved, and PSI is working with a number of unions to create positive models of modern municipalities.

One area where public service workers have felt the chill of recession and financial collapse is the threat posed to capitalised pension funds of public sector workers. Funds invested in equities or in private equity, hedge funds and sophisticated debt instruments have lost huge sums.

Many governments will undoubtedly call for wage restrictions in order to make up pensions liabilities, but the questions we must ask include what has been the role of fund managers in precipitating this crisis, and, more importantly, what policies, guidelines and safeguards do our pension funds need to implement to be part of the solution?

In the United States we are exploring mechanisms to allow pension funds to invest in the massive infrastructure programme which President Obama has put in place. The hope is that financial engineering will allow them to invest in public services, not in privatisation.

We know that the financial crisis will mean even more global poverty in the coming years. The International Monetary Fund foresees rising job losses for almost every country in the world. International Labour Organization (ILO) Director General Juan Somavia recently said that the number of working poor living on less than a dollar a day could rise by some 40 million – and those at 2 dollars a day by more than 100 million.

This is all the more reason to push for a universal social security scheme, such as the Basic Social Security Floor promoted by the ILO. This will protect retired workers in many countries that have no public pension schemes, and minimal private pensions.

Governments should also take a much larger responsibility when it comes to creating an active labour market policy – investing in the development of new skills to people who risk losing their jobs in industries under attack.

Now is the time for the bankers, and the international community to face a global audience. Now is the time for transparency not secret sessions and inside dealings. More than ever we need open government, accountability and participation to set the world back on course and to help eradicate poverty. It’s a rare chance for workers to strike a blow for decent work and quality public services and one not to miss.

Peter Waldorff *is General Secretary of Public Services International.*

It's About **Power**...

RON OSWALD

THE MELTDOWN OF THE INTERNATIONAL FINANCIAL SYSTEM AND ITS CONSEQUENCES FOR THE ECONOMY PUTS HUNDREDS OF THOUSANDS OF WORKERS, MANY OF THEM IUF MEMBERS, IN A DIRE SITUATION. IT'S VERY HARD TO TALK OF OPPORTUNITIES, BUT ONE THING IS FOR SURE – THIS SYSTEM CANNOT GO ON OPERATING AS IT HAS UNTIL NOW.

Deregulation of markets is being criticised more strongly than it has for decades, and the free market has been completely discredited as the model for the operation of the global economy.

We have an opportunity to change the neoliberal system. There is widespread support for the notion that politics must reassert its role as the motor that drives the economy. So when we talk of opportunities we're referring to political opportunities, with the objective that the international institutions which have hitherto provided cover for unfettered capitalism must now be updated and reshaped to focus on regulating capital, instead of deregulating the economy.

But we have some way to go. What we have seen so far are national efforts in different countries around the world aimed at imposing a political control over the free market. Many governments are intervening directly to take control of the banking system, but many of them are unwilling to actually exercise the power they have. The British government, for example, like many others, has intervened in the banking system, but instead of giving clear directions, it limits itself to suggesting or requesting that certain actions be taken.

For all the talk in political circles of "a new global financial architecture" the first meeting of world leaders to confront the financial crisis in Washington in November 2008 produced meager results.

Despite the injection of trillions of dollars of public money into national banking systems the financial carnage continues and is now ravaging manufacturing and services. While jobs around the world are being destroyed by the hour, massive new financial bets are being placed on corporate debt and share values as investors seek to cash in on the damage.

The summit's vague and lackadaisical timetable for change revealed a political community uncertain and unfocused, unlike the precise and challenging demands of the financial sector. The Institute of International Finance, the financial sector's global lobby organisation, set out its demands in a letter on the eve of the summit signed by IIF Chairman (and Deutsche Bank head) Joseph Ackermann and four other high-ranking bankers. It signalled two key demands: first, the creation of a Global Financial Regulatory Coordinating Council to direct the international financial system, and, second, the expansion of the club of exclusive nations from G8 to G20.

In the blueprint for the new Council the IIF seeks to strengthen the role of the International Monetary Fund, despite its destructive role in previous crises. The Council would serve as an umbrella group for private banks and the multilateral lending institutions and be linked to "colleges of supervisors" watching over (in the words of the letter) "the top 30-40 global financial services institutions".

The IIF sees the expansion of the G8 to G20 and greater representation rights for what they call "several systemically important development countries" within the IMF and other multilateral organisations as the basis for expansion and further integration of the global financial services sector.

The leaders of the financial sector, unabashed at the folly of their previous actions, have a clear timetable. They said: *"As financial institutions and markets are being restored to normal functioning, well-defined exit strategies need to be formulated and implemented. Emergency action should not provide the basis for a permanently larger role for the public in the international financial system: this would risk setting back the prospects for renewed sustained growth of output and jobs by introducing widespread inefficiencies into global markets."*

The message is clear: in times of crisis, governments should bail out the financial sector and then quickly retreat to their traditionally more limited role of underpinning the expansion of private finance by guaranteeing public debt.

Does the dismal performance of governments reflect merely a failure of will and imagination on their part? Is it realistic to imagine that alternatives to neo-liberal orthodoxy will emerge spontaneously from a Group of 8 enlarged to 20, 30 or more central banks when the only shared commitment of their national financial lobbies is to protect the value of their dollar reserves?

Expanding the participation of (selected) developing countries in global summit exercises meets demands for greater representation but leaves untouched the social relations and balance of forces which are at the root of the system and its present crisis.

A new financial architecture won't be built by simply adding on rooms. A new foundation is needed, and we won't get it by "lobbying" the IMF or periodic conclaves of governments.

We need an intervention but it must be less timid and on a global scale. The international institutions, the World Bank and the International Monetary Fund, set up 60 years ago,


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must begin to act as the market's regulators – in doing so they may provide the basis for the creation of a sustainable global economy, something we are sorely lacking at present.

These international bodies, called the Bretton Woods institutions after the place where they were called into being, were created in a world very different from the one we inhabit today.

Working people yearn for new, more democratic institutions to manage global trade and economic affairs. They see the spread of poverty and destitution throughout the world as a much bigger problem for the security of the planet than those matters which occupy the agenda of the United Nations Security Council, which is committed to keeping the peace.

But ceasefires and peace treaties are not enough to build a just and free society. Perhaps we could invest real power – similar to that enjoyed by the Security Council – in the United Nations Department of Economic and Social Affairs (ECOSOC).

This body given the mandate and authority and political capacity to impose a sustainable economy, could make a profound difference to creating peaceful, prosperous and socially just societies. The scourge of poverty and the scandal of social inequality are deep-rooted problems that must be addressed if we are serious about creating a lasting peace.

Requests for more demand stimulation, more fairness and more respect for workers rights are no more likely to be heeded now than they have been in the past. The entire experience of the past two decades – years in which labour's historic gains have been rolled back on virtually every front – demonstrates otherwise.

The labour movement, nationally and globally, faces a crisis of enormous depth and scale. Institutions like the IMF which have traditionally served as the instruments for resolving more limited crises currently lack the resources to tackle it. And governments do not currently face the massive social and political pressure which would push them to address the crisis in ways which could reverse decades of social and environmental destruction and strengthen labour's capacity to mobilise.

In this situation, all questions should be regarded as open – and an opportunity for unions to intervene in new ways through new alliances. If governments are unable to act it is not enough to fall back on the programme and strategies of the IIF and the people who got us into this mess in the first place.

For its part the IUF in encouraging a new approach has two tasks before it. The first is to work with our members to protect them as best as we can against the effects of economic downturn and the financial collapse.

We reject the illusion that is sometimes created by talk of a "financial economy" and a "real economy." There's only one economy. It is only the manipulation of corporations and companies that has made it possible to separate financial matters from real economy matters.

In the single global economy we must join together to protect ourselves, particularly against transnational corporations that are under strain because of the crisis, but which try to take advantage of the fear spread by the crisis to impose changes in employment and union rights they've been wanting to make for a long time.

Our second task will be to join others in the global union movement and broader civil society in calling for changes in the way the economy is regulated. We must move quickly, because this clamoring for change may not last long.

There are still those who believe that the system is "fundamentally sound." It's not, but given the chance, and with billions of public money to support them, they will seek to rebuild their credibility and structures without any change at all in the foundations which provided free trade and the free market fundamentalists with unconstrained influence over the past 30 years. Instead, we must ensure that politics is at work where it's supposed to be – at the controls of and steering the global economy.

> We should be demanding at work, in the streets, in every public forum … that governments and corporations account for the growth of unemployment at a time when unprecedented sums of public money are being poured into the banking system.

We should be demanding at work, in the streets, in every public forum and through the creation of new ones, that governments and corporations account for the growth of unemployment at a time when unprecedented sums of public money are being poured into the banking system. Following the biggest nationalisations in history, labour should insist that the banks be regulated as a public good, structured as a public utility, accountable for the pursuit of democratic policy objectives. Money must be used to finance real investment, not to finance finance.

We have to join a broad movement aimed at attaining radical and fundamental changes in the international institutions, so that they will adapt to the objectives of controlling and regulating today's world economy.

It will not happen overnight, but we have the chance to step out of the shadows and place the trade union movement at the heart of demands for change that will create a world far different from the one we have just endured.

Ron Oswald *is General Secretary of the IUF, the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations.*

On the

Migrant Labour U

BY ANITA NORMARK

AT LEAST 5 MILLION CONSTRUCTION WORKERS WORLD-WIDE LOST THEIR JOBS IN 2008 ALONE DUE TO THE GLOBAL ECONOMIC CRISIS. CONSTRUCTION WORKERS WERE AMONG THE FIRST TO BE HIT AS THE UNITED STATES HOUSING BUBBLE BURST.

In the US alone, over 30.000 construction workers lost their jobs in the last quarter of 2008. Migrating building workers from Mexico and other Central American countries bore the brunt of the collapse of the sector in the United States.

Construction, being to a large extent dependent on public investment for infrastructure and housing, is one of the hardest hit sectors. As a consequence workers in sectors providing building materials and wood have also been laid off as demand has fallen.

The sector has been a magnet for migrants often in low-skilled and low-paid jobs and has been an important contributor to recent economic growth. Relative to other sectors, construction hires more migrating workers.

The story is the same around the world, where migrant workers have been exploited in the construction boom preceding the financial crisis; many have been ruthlessly used by unscrupulous employers and labour agencies. Unions in many receiving countries have been working hard to organise and help migrant workers protect their rights and also to protect prevailing wages and national standards.

Migrant workers are likely to be the first to be laid off. In Dubai, for example, low-paid Asian workers who came to build the skyscrapers were among the first victims of the global economic crisis. Reports show that building projects worth around 600 billion dollars in the United Arab Emirates have been put on hold, leaving up to 45 percent of the construction-related work force jobless.

In China millions of rural migrant workers signed up for building work in connection with the Beijing Games in 2008 and for construction in other big cities. Out of an estimated 28 million workers coming from the rural areas, 3 million lost their jobs in 2008.

As one of the effects of the financial crisis, many governments now tend to take up protective measures forcing the foreign workforce to leave. Some examples:

- The government in **Thailand** announced that it would not re-register migrants in 2009 in the hope that some will leave when their work permits expire, opening jobs for Thais as unemployment rises.
- The **Malaysian** government froze new entries of migrant workers to make more jobs available for Malaysians, and ordered employers to lay off foreign workers first.
- The **Spanish** government offered lump-sum payments to jobless migrants who had earned unemployment insurance benefits if they agreed to leave. Many of the migrant workers had jobs in construction.

Road Again

nder Fire in the Recession

- In **Russia** the youth branch of the Unified Russia party, calling itself the Young Guard, has been engaged in a campaign to reclaim jobs for Russians that are occupied by foreign migrant workers. They want to patrol construction sites in order to as they say "avoid feeding foreign economies and send money abroad by paying migrant workers".

Restriction of controlled and regular migration will lead to many sending countries being deprived of much-needed remittances, but many receiving countries need and benefit from migrant workers. In addition there are fears that hostility to migrant labour gives rise to new tensions and intolerance between communities.

To counteract these developments migrant workers in receiving countries should be guaranteed equal treatment, regular migration channels need to be controlled and coherent policies within and across nations for migration need to be implemented.

Bank and industry bailouts may be a necessary short term solution to the immediate problems, also providing needed credits to construction, but they are far from enough for a more sustainable solution.

For a longer term solution, a new recovery plan to stabilise global capital markets and to bring forward massive public investments in infrastructure is needed. It would also support the hard-hit construction and building materials industries. Stimulus packages in construction are also needed to lower carbon emissions, save energy and stimulate new forms of environmental energy. But as a lot of public money is used, the social, as well as the environmental, conditions of the procurement has to be guaranteed.

The launching of a "Green New Deal", is called for by the United Nations Environment Programme and the International Labour Organization. A "Green New Deal" can provide the basis for a recovery that both provides decent work and contributes to the fight against climate change.

The US report, *Green Recovery: A Program to Create Good Jobs and Start Building a Low-Carbon Economy*, claims that a $100 billion investment programme in green economic recovery for energy efficiency would create two million US jobs over a two-year period while also addressing global warming and building a green, low-carbon economy.

There are solutions that will work. If getting people back to work is the most important step to get the economy functional again then wage cuts can never be seen as part of the solution, rather it is adding to the problem since workers who have less money to spend create less indirect jobs in other sectors.

People with stable employment and decent income spend money creating more jobs in other sectors. The indirect creation of jobs in the construction sector has been estimated at around three to one.

One important step to avoid risking the loss of skilled workers, that would take years to replace, is to promote vocational training and retraining. This is essential and should be intensified. Efforts should be made to find joint constructive solutions between social partners and governments.

At best, job creation should preferably take place in peoples home countries, so that people are not forced to flee for economic or social reasons. But certainly in the construction sector, migration will remain part of the future industry as well, but this will only work when equal rights are guaranteed for all workers and there is action to counter illegal migration.

The recession has few silver linings, but there is no doubt that it provides an opportunity to invest in people and the quality of their lives. With enhanced social protection, including pensions, unemployment benefits, child support and health care schemes; with more respect for workers' rights; with a new and workable regime for global finance; there is no reason why, guided by astute and people-centered investment, we cannot move quickly to rebuild shattered economies and set a course for recovery and sustainable development.

School for Recovery

FRED VAN LEEUWEN

IT'S AT TIMES LIKE THIS THAT WE NEED MORE INVESTMENT IN PEOPLE, AND PARTICULARLY IN THEIR EDUCATION. WITH THIS IN MIND, EDUCATION INTERNATIONAL (EI) IS DEVELOPING A PLAN FOR ACTION, NOT ONLY TO DEFEND PUBLIC FUNDING FOR EDUCATION, BUT ALSO TO MOBILISE POLITICAL SUPPORT FOR INVESTMENT IN EDUCATION AS A CRITICAL ELEMENT IN ECONOMIC RECOVERY.

EI draws inspiration from the Global Unions Washington Declaration in November 2008 and its call that:

> *beyond infrastructure, this is also the time to invest in people, and for: a renewed commitment to the provision of publicly financed, quality public services. We are inviting member organisations to send us their ideas on how education unions can take a pro-active and strategic approach to defend quality public education.*

Bold action is required. We have to think "outside the box", and get governments and voters to do so too. During 2009 the world will have tens of millions of newly unemployed men or women – many of them with good levels of education, a diversity of qualifications and skills and experience.

UNESCO says the world needs 18 million qualified teachers just to meet demographic challenges in the industrialised countries and to achieve one of the key Millennium Development Goals – primary education for all children by the year 2015, in the developing countries. Many more teachers and instructors are needed for secondary and vocational education.

Many of those thrown into unemployment in the current crisis are likely to be attracted to teaching or other jobs in education. They would respond favourably to a plan to give them a chance to obtain qualifications to teach or to undertake other work in education.

A global plan, implemented nationally, to recruit unemployed men and women into education work would provide a major fiscal stimulus. It would be a critical part of economic recovery plans as well as enhancing the education and training of children and young people.

Schools and other educational institutions serve communities across every nation, and the positive impact of employing more people in them will be benefit to all. Investing in people who work in education will become part of the solution. The fiscal stimulus of get-

ting qualified and experienced people off unemployment rolls and into worthwhile jobs in education will take effect more quickly and more broadly than would infrastructure projects alone.

In 2007 EI launched a new project together with Novib (Oxfam Netherlands) on Quality Educators for All aimed at combating the growing tendency of governments, aided and abetted by the World Bank, to employ unqualified people as teachers. We are developing model programmes to provide teacher training for those currently unqualified. It is an initiative that will grow in importance in developing countries, as the economic crisis unfolds.

Teachers in North and South are in this together. The key everywhere is negotiation between public authorities and education unions on teacher education and induction programmes. This also means renewed efforts to support capacity building for EI unions in developing countries so that they can negotiate effectively.

Here is a ten-point plan for a global deal to be implemented nationally by negotiations between EI member unions and their governments. EI recommends that education unions:


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STATE THE NEEDS

1. Compile details of staffing needs in education – for teaching and other positions in schools, vocational and other educational institutions – building on their existing knowledge, surveys and research.

2. Express these needs in terms of the personnel required to provide quality education in safe schools for children and young people.

CALL FOR NATIONAL PLANS

3. Draw up national plans to address these staffing needs. In countries with two or more EI member organisations, try to reach agreement on a single plan, if possible.

4. Present the unions' national plan to the authorities, to allied and friendly organisations, including parents and other trade unions, and promote the plan publicly.

CAMPAIGN TO HIRE, NOT FIRE

5. Call on the authorities to work with education unions to maintain existing levels for teachers and support staff, and on plans to train and recruit the personnel needed to provide quality education in safe schools.

6. Reaffirm union policies on acceptable standards for teacher education.

7. Support increased teacher education and other training programs, as well as mentoring and induction programs so as to retain newly recruited personnel.

8. Develop cooperation across education sectors, supporting the crucial role of universities and other higher education staff in research and innovation as well as teaching, including teacher education, and the need to strengthen staffing for early childhood education.

KEEP UP THE PRESSURE TO ACHIEVE THE MDGs

9. Remind governments and public opinion that keeping on target to achieve the Millennium Development Goals, including Education for All, is vital to global recovery.

10. Advocate more not less cooperation between North and South. Official development assistance must be increased; multilateral development agencies must be strengthened; teacher education must be reinforced in countries striving to achieve their MDG targets; unions can help each other with capacity building.


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For a global crisis, there must be a global response and for that reason EI is working closely with UNESCO, the World Bank, the ILO and the OECD. EI will seek support from Global Unions, its Global Campaign for Education partners, parents' and students' groups, and business and industry organisations.

Our vision is sharp. If education is to work for the global economy and for the benefit of all of society we must recognise that:

- Education is a public good not a commodity.
- Education is of both social and economic importance; it plays a key role in building and defending democracy; it contributes to individual fulfillment and well-being and to community development; it is a prime mechanism for promotion of equality, non-discrimination, and understanding among people from different backgrounds.
- Quality education requires quality teachers whose status is recognised as is the principle that decent working conditions are decent learning conditions.
- Education unions should be key actors in the development and implementation of education policy.Education is a human right. The provision of quality public education for all, in developing countries and in emerging and industrialised economies, is a moral imperative.

When we get these principles off the page and into the agenda for change as part of a practical programme for recovery our children and citizens at large have something more inspiring to look forward to than higher tax bills and painful cuts in living standards.

Fred van Leeuwen *is the General Secretary of Education International*

Crunch time

NEIL KEARNEY

NEIL KEARNEY ON THE HYPOCRISY OF A FINANCIAL SYSTEM IN WHICH A BANGLADESH GARMENT WORKER WOULD HAVE TO LABOUR 118,000 YEARS TO EARN THE ANNUAL BONUS OF A GLOBAL BANKER

Something has gone terribly wrong with our world. After announcing a Euro 21 billion loss in 2008 Merrill Lynch's Chief Executive Officer (CEO) set aside Euro 3 billion in bonuses for senior staff including a staggering Euro 27 million for himself. This was done while Merrill Lynch was being sold to Bank of America which itself then posted losses of Euro 31 billion and whose own CEO paid himself Euro 19.5 million last year.

Shortly after being bailed out by the United States government to the tune of Euro 35 billion, Bank of America hosted a meeting to co-ordinate opposition to proposals to make trade union recognition easier in the United States. At the meeting the CEO of the company Home Depot said it would be the end of civilisation as we know it if US companies had to deal with unions. This is the same Home Depot that paid its former CEO Euro 195 million when it fired him after only 11 months in the job.

The hypocrisy, unfairness and injustice in all of this is evident when we consider that more than 2 million workers, mainly women, slave in Bangladesh's garment industry, sometimes 14 to 16 hours a day for less than Euro 19 a month – Euro 230 a year. One of these workers would have to put in 118,000 years work to earn the annual bonus of a Merrill Lynch CEO.

Given their long hours and poverty level wages it isn't surprising that many of these workers frequently collapse at their sewing machines from a combination of exhaustion and malnutrition.

Such exploitation is the outcome of 20 years of unfettered globalisation. The impact on workers has been disastrous. In the last 10 years real wages in the textile, clothing and footwear industries have fallen by 25 per cent while working hours have increased by 25 per cent.

Brands and retailers like Wal-Mart have been able to announce annual profits of more than Euro10 billion from this slavery. And many leading retailers like Tesco and Marks and Spencer have used the global recession to try to wring further price cuts from their suppliers, price cuts that will be paid by workers in the form of wage reductions, longer working hours and poorer working conditions.

Not content with the current floor level wages the industry continues to seek more for less and now relies increasingly on a growing army of migrant workers even more vulnerable to exploitation. Former textile workers in Romania are flooding Western Europe in search of domestic work because they can't afford to live on the wages paid in local industry. Their places are, in turn, taken by migrant workers brought in from China and paid even less.

Wages everywhere in the sector are appalling. And not just in the least developed countries. In Bulgaria a shoe worker now has to work 6.25 hours to buy a kilo of beef, 2.5 hours to buy a liter of cooking oil and 1.5 hours to buy a kilo of sugar. So, more than 10 hours work a day and the rent isn't even covered.

Governments responding to the global recession talk about the need for financial repair, but what we urgently need is social repair – jobs that pay a living wage for a standard work week, protection from injury and abuse and the right of every worker to join a union and to bargain with their employer for decent work.

My own thoughts are in line with someone who said "Never let a crisis go

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to waste". We've had enough of free for all exploitation. We've lived the experience of abandoning manufacturing in favour of dependence on banking and financial services. We're now suffering the consequences.

We should establish a moral and social compass which puts decent work at the heart of action to lead the way out of recession. And that means using this crisis to demand a new economic and social terrain as the strategy for recovery and beyond. To do that we have to

- Increase and better target the numerous stimulus packages now being rolled out putting emphasis on the retention and creation of decent jobs rather than tax cuts for the rich and bonuses for the casino cowboys of the banking world;
- Promote manufacturing industry as a key and essential element of all national economies;
- Reject wage cuts and worsening conditions as measures that will only further drive recessionary pressures;
- Insist on the payment of a living wage to every worker as a key stimulus for increasing consumption and driving recovery;
- Put education and training, particularly training for green jobs at the heart of strategic planning for recovery;
- Demand a central role for workers and trade unions at all levels in tackling the crisis. The influence of unions in the crafting of Germany's measures to slow and reverse the recession has given those measures a distinctly social flavor aimed at avoiding the destruction of jobs and providing a springboard to take advantage of the very first signs of recovery.

In short, we cannot waste the current crisis but must instead use it to drive real change where decent work providing a living wage will be the cornerstone of the global economy.

This is taken from an address by **Neil Kearney**, *General Secretary of the International Textile, Garment and Leather Workers' Federation, at the launch at the European Parliament of the book "Glokers – People, places and ideas about globalised labour" by Silvana Cappuccio.*

Super-rich pay a price… but it's hardly enough

On the day that Wall Street's biggest crook Bernard Madoff finally put on handcuffs and was packed off to jail for swindling thousands of investors to the tune of at least $50 billion, Forbes Magazine published its annual list showing how the world's super rich have "suffered" in the financial havoc that many of them helped to create.

The 2009 list of global billionaires issued on March 11 was 30 per cent down on 2008, the first fall in six years. It showed that billions of dollars had been wiped off the personal fortunes of the capitalist elite. The number of billionaires worldwide is down to 793 and falling from a high of 1,125. Bill Gates, founder of Microsoft, lost around $19 Billion in the crash, but he's still worth $40Billion and is the world's richest man. Even Russia's richest man Oleg Deripaska, whose personal assets collapsed by $25Billion, can still sleep easy with $3.5Billion in his pockets.

Many of the super rich were closely involved in the barely legal practices on financial markets that led to the credit crunch and unlike Madoff, who is likely to spend the rest of his life in prison; most will stay out of jail. Others are still to be caught and brought to account, including Mexican drug trafficker Joaquin Guzman, who is wanted by United States police, but is included as a new entrant on the Forbes list of billionaires.

Even if Guzman and others are brought to trial, there is little to cheer about as those primarily responsible for the financial crisis get their just desserts. Indeed, the shrinking value of the loot collected by the world's richest and most exclusive community of billionaires does not mean that inequality has narrowed.

The crisis has bitten deep into every community across the globe with millions of ordinary people and their families plunged into unemployment and poverty. This huge economic downturn has hit everyone and no tears will be shed for the bankers and speculators who have lost billions.

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From Washington to London

Global Unions Focus on their Vision for Jobs and Recovery

THE INTERNATIONAL TRADE UNION MOVEMENT IS DOOR-STEPPING WORLD LEADERS AND MAKING COMPREHENSIVE DEMANDS FOR CHANGE. GLOBAL UNIONS WANT VIGOROUS ACTION TO COUNTER THE GLOBAL ECONOMIC CRISIS, BUT THEY INSIST THAT CLEARING UP THE RUBBLE CREATED BY DESTRUCTIVE NEO-LIBERALISM SHOULD BE ONLY THE FIRST STEP. **JOHN EVANS** ARGUES THAT IT IS TIME FOR A RADICAL CHANGE OF DIRECTION.

Global Unions are laying siege to meetings of government leaders, finance and labour ministers with a message from workers around the world – create jobs now, regulate markets to make sure this economic calamity never happens again, and make the world a fairer place in which to live and work.

The priorities set out in the *London Declaration*, which was presented in April to the Group of Twenty nations' summit, and the Global Action Plan for Jobs submitted to Rome G8 Social Summit, include the design of a new structure for governance of world trade and the forging of a new global economic model to create jobs and to counter a crisis that has engulfed both the developed and the developing world.

The facts speak for themselves. The world economy is contracting at a rate that no one has experienced in their lifetimes – jobs are being lost by the million and years of progress towards the Millennium Development Goals of poverty reduction have been wiped out in a few months.

Those who are suffering the most are workers, many of them already in precarious work with little social protection, and young people who are joining a jobs market more depressed than it has been for half a century.

Groups like the G20 can play a crucial role in driving forward work between advanced and emerging economies to restore worldwide financial stability. But solving a crisis, which is as deep and as devastating as any downturn in living memory, will need more than just fine tuning of market rules if it is to lead to lasting economic recovery.

So far the economic stimulus plans put forward by the industrialised country governments fall far short of the 2 per cent of world GDP which Global Unions and international institutions say is needed to raise global demand and pull the world economy out of its nosedive.

The measures must be targeted at public investment that can be brought forward quickly and which can do long term good both by helping counter climate change and boosting productivity. Governments must also spend far more on active labour market programmes to keep people in work and help them retrain during the crisis.

Unions are convinced the crisis cannot be solved by slashing jobs, reducing living standards and making working people suffer for the mistakes of a system that has utterly failed global ambitions for equality and social justice. The Global Union message, spelled out in the *London Declaration* presented on these pages is for a people-centred recovery plan that calls for

- A focus on job creation and protection of living standards
- An international system of economic governance rooted in respect for workers' rights,

- Tight new rules for controlling global financial markets, and
- Action to invest in a green agenda, to build public services and, above all, to combat growing inequality around the world.

A key demand, and one supported by many political leaders – now boosted by a change in administration at the White House – is the insistence by unions that labour must be involved in discussions for designing a new global financial architecture.

Global Unions insist that poorer countries in the emerging and developing economies must be given the cash they need to build their economies without being hindered by stringent conditions imposed by international finance institutions. Lending programmes to boost economies around the world must not lead to a deterioration of wages and living conditions for workers as they have in the past.

Expanding the rights of workers will contribute to global growth not hold back recovery, but conditions being imposed by the International Monetary Fund in exchange for emergency funding go in the wrong direction – they cut wages and purchasing power of the weakest.

At a time when private capital flows are receding and when many migrant workers are unable to send home the money that their families depend upon, governments must deliver on commitments to expand official development assistance.

Action must also be taken to stop wages from falling in the short term that would push the world into a deflationary spiral. Workers rights should be strengthened not undermined in this crisis.

The unions also have a thought-out strategy to avoid a repeat of the financial collapse. An eight point action plan for financial reform featured on these pages offers a real opportunity for lasting and durable reform and an end to the casino of deregulated financial markets with a system where finance supports the real economy and real jobs.

But the need for change goes much deeper. There is a risk that when the economy begins to improve we will have a return to the failed policies of the past. There is already ominous talk of "exit strategies" for the state from their interventions in financial markets.

For the future, unions want more investment in quality public services, adoption of a green agenda for change and an end to economic policy that puts stringent conditions on development loans which have reduced social programmes and deregulated labour markets.

The unions say the ILO and workers' groups must be consulted over the design of the new multilateral system. Without a workers' voice at the table it will be impossible to protect union rights and labour standards or to ensure workers and their families are not burdened with paying the price for the colossal failures of an under-regulated global financial system.

The need to engage with trade unions in the important debates about resolving the global crisis is key but this will only happen if governments and International Financial Institutions open the door to a new dialogue and a vision that shifts the balance of policy towards a durable social agenda aimed at eliminating the scourge of inequality.

Coming out of this crisis we need a new development model where the state is able to balance the extremes of markets with social environment and public policy objectives. Governments must set the limits of the financial economy by directing investment to long term goals of creating decent work, building equality in society and ensuring a fair distribution of the fruits of growth. Achieving that goal will require far more union action at the international level – the global union task is just beginning.

John Evans *is General Secretary of the Trade Union Advisory Committee to the Organisation for Economic Co-operation and Development*

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The London Declaration

The world economy is in the midst of an all-encompassing, triple crisis. It began as a financial crisis, has transformed into a global economic crisis of catastrophic dimensions for working people, and is now mutating into a social and political crisis.

The crisis which began in the United States housing market resulted in first the credit market crisis and then the employment crisis has evolved into a complex and dangerous vicious circle, with falling housing prices and unemployment combining to reinforce the collapse of the credit market. This cycle has been replicated across industrialised, emerging and now developing economies.

When the G20 leaders first met in November 2008 in Washington the world was already facing an unprecedented slowdown in growth with output falling in the industrialised countries. The situation is now dramatically worse.

Staggering falls in Gross Domestic Product (GDP) – the barometer of national wealth – were recorded in the final quarter of 2008. At an annualised rate GDP shrank by 6 per cent in the G7 economies, the European Union and the countries of the Organisation of Economic Co-operation and Development (OECD) as a whole.

These are the worst figures ever recorded by the OECD. The contagion has spread to emerging and developing economies where growth has also now stalled and GDP per head is falling. The world now stands in deep recession. It is the poor who are at risk and are suffering most. There has been a sharp decline in exports from developing countries and a drying up of private cash coming in – much of it the money earned by migrant workers abroad which their families at home depend upon.

Some 26 low-income developing countries in Africa, Asia, the Americas and Eastern Europe have been identified by the IMF as being at risk.[1] And the achievement of the Millennium Development Goals, the global effort to tackle many of the root causes of poverty, is in jeopardy. Ten years of progress in poverty reduction has been undone in just a few months.

Unemployment is continuing to surge in the first months of 2009 and it now appears that the "worst-case" scenario predicted by the International Labour Organization (ILO) of unemployment increasing by 50 million[2] worldwide in 2009 may turn out to be over-optimistic.

Some 200 million more workers could be pushed into extreme poverty, mostly in developing and emerging countries without social safety nets meaning that the number of working poor – earning below $2 US per day for each family member – may rise to 1.4 billion.

Without a radical response by governments and international institutions the unemployment crisis will be transformed into a social and, ultimately, political crisis.

Furthermore there are serious risks of derailing the urgent but difficult political decisions that must be taken at the United Nations climate change meeting in Copenhagen in December 2009 to avert long-term climate catastrophe.

This most serious economic crisis since the Great Depression of the 1930s must mark the end of an ideology of unfettered financial markets where self-regulation has been exposed as a fraud and greed has overridden rational judgement to the detriment of the real economy.

A national and global regulatory architecture needs to be built so that financial markets return to their primary function: to ensure stable and cost-effective financing of productive investment in the real economy.

Beyond this there is a need to establish a new economic order that is economically efficient, environmentally sustainable and socially just.

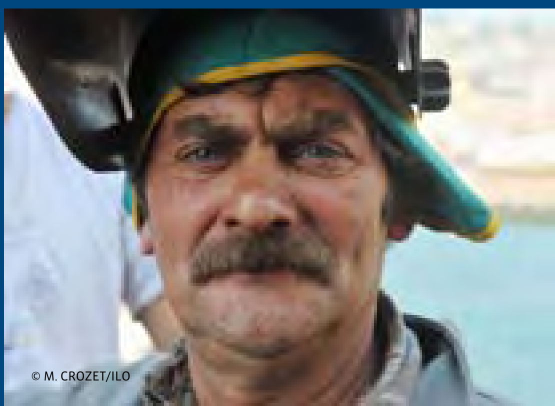
This is an abridged and edited version of the London Declaration – the full text and the detail of the submission is available at **www.global-unions.org**, **www.ituc-csi.org** *and* **www.tuac.org**.

G20 Leaders must begin a multilateral process together with other institutions to redraw the governance of the global economy such that social and environmental issues are given the same level of attention as trade and finance.

The global trade union movement is calling on the leaders of the world's major nations in the G20 to work with other countries and international institutions to develop a five point strategy to deal with the crisis and beyond that to build a fairer and more sustainable world economy for future generations.

The labour movement calls for:

- A co-ordinated international recovery and sustainable growth plan focused on job creation, public investment and social protection for the most needy
- Nationalise banks that are insolvent and establish new rules and machinery of governance to control global finance
- Combat inequalities and protect earnings by extending coverage of collective bargaining and strengthen institutional protection for living standards



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[1] IMF, The Implications of the Global Financial Crisis for Low-Income Countries, 2009

[2] ILO Global Employment Trends, 28 January 2009


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- A strategy for "green economy" investments that will move the world economy onto a low-carbon growth path and create the conditions for international agreement at the Copenhagen climate summit in December 2009
- Changes to global governance of social and economic policy and practice to make the world economy a fairer place in which to work and live

I. A Co-ordinated International Recovery Plan

The first priority for the G20 leaders must be to halt the free fall in world growth and reverse the falls in employment.

Since November 2008 most of the major economies in the G7 countries and other have put in place fiscal measures to boost growth, but as shown by the IMF these would have double the impact on growth and jobs if they were coordinated internationally.

So far this coordination is missing – while the Administration of Barack Obama has agreed a stimulus plan in the US that amounts to almost 3 per cent of GDP per year, the European Union (EU) country measures announced by the beginning of February 2009 amounted to less than 1 per cent of GDP in the EU.

The G20 must get the current "free-riders" to join coordinated measures to stimulate the world economy.

Global Unions call for a global recovery plan amounting to a least 2 per cent of world output. Central banks should continue to cut interest rates and undertake quantitative easing of monetary policy so that government investment can be financed at a low interest rate cost.

Measures must also be targeted within countries so as to have the biggest impact on growth and employment. Governments should bring forward infrastructure investment programmes that stimulate demand growth in the short term and raise productivity growth in the medium term.

Measures should be introduced to support the purchasing power of middle and low income earners including single-earner households, where women most often are the breadwinners.

Putting more money into the pockets and purses of people on low and middle incomes will boost the economy.

Those on low incomes are more likely to spend any extra cash, thus ensuring that it helps beat the recession. This can be done through increasing benefits, direct job creation schemes and changes in tax. Resources should not be wasted on ineffective generalised tax cuts.

The IMF has shown that spending on items such as social safety nets and transfers for local government services


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including education and health will have almost twice as much impact as tax cuts during a downturn.

This is the time to invest in people – in their education and health, and in care for the very young and the aged.

As part of a new development model governments must enhance the role of public services to provide the education, health, water, sanitation, law, safety and security, fire-fighting and civil protection the society needs. This is investment that makes a vital contribution to the quality of peoples' lives and is a cornerstone of healthy democratic society.

With jobs being lost across the economy it makes sense to invest in education and training and transfer of workers to new sectors where they are urgently needed. In the health sector, for example, the World Health Organisation (WHO) estimates we need an additional 4.2 million jobs worldwide.

Eighteen million new teachers must be trained just to meet the goal of quality education for all primary age children by the year 2015. Millions more teachers and instructors are needed for vocational education and training for skills that underpin the real economy and for retraining of working people as economies restructure.

In addition, governments must step up efforts to reduce poverty among women, who today constitute the majority of the world's poor.

As industrialized and emerging economies strive for recovery there is a risk of leaving the low-income countries on the sidelines. However, that would exacerbate existing inequalities, throwing millions more into extreme poverty.

It is critical to maintain and enhance official development assistance (ODA), and to strengthen the role of international and regional development banks and agencies.

Most developing and some emerging countries are operating harsh fiscal policies that damage their own people, often through no fault of their own but because they are pressured by International Financial Institutions the IFIs to practice "fiscal discipline" as a condition for loans, even when faced by deteriorating external conditions.

The international community must be more supportive of expansionary recovery programmes implemented by developing countries. These are necessary to prevent poverty from growing further and to support global demand.

Harsh conditions attached to development loans must be ended and levels of financial assistance must be increased.

Development assistance budgets to the Least Developed Countries (LDCs) need to be maintained with the adoption of binding commitments and a timetable to meet the UN target of 0.7 per cent of GDP.

Fiscal measures must be complemented by active labour market policies that can help keep workforces together and workers in activity. Policies and programmes should be designed and implemented to reduce the risk of unemployment and wage losses, as well as to provide income support.

Companies receiving public assistance need to respect agreements with governments and trade unions to undertake agreed restructuring programmes that include employment and training components.

At the ILO's Global Dialogue Forum on the financial crisis workers, government and employers agreed that "restructuring should be based on dialogue between management, unions and workers' representatives".[3] This dialogue is at the core of active labour market policies – yet to date only a tiny part of money in the massive bail-out and stimulus plans of governments is directed towards such policies. Any company receiving public money should be obliged to

Students attending an open class in Kabul in 2007. Hundreds of schools have been shut owing to attacks on education mostly in southern provinces, according to the ministry of education. © Ahmad Zia Entezar/IRIN

consult its workers and put in place programmes for jobs and training.

Particular attention must be given to those most affected by the crisis. Governments must put in place labour market policies that:

- discourage companies from cutting jobs at the first signs of trouble;
- focus on groups most affected by the crisis – in particular young people, older and unskilled workers, temporary and part-time workers, women and migrants;
- eliminate the gender pay gap;
- provide income support, in particular through expanded unemployment benefits;
- prevent companies from blocking or slowing down the pay-out of unemployment benefits;
- ensure respect for labour standards and workers' employment rights
- promote people-centred investment including offering improved training opportunities to help workers of all ages acquire new skills
- Provide migrant labour with the same tights as other citizens to combat the twin scourge of poverty and racism.

As global unemployment is surging most of the world's workers do not have recourse to unemployment benefits when they lose their jobs and most can rely only on their own savings or their family's support when they reach old age. The crisis presents both an obligation and an opportunity to establish decent social safety nets that can act as automatic stabilisers in countries that do not at present have them whatever the level of development. The ILO has shown that this can be achieved.

[3] ILO Global Dialogue Forum on the Impact of the Financial crisis on Finance Sector Workers 24-25 February 2009

II. Laying the Foundation for an International Agreement on Climate Change

There will never be a better time to launch the "Green New Deal," called for by the United Nations Environment Programme (UNEP), ILO, ITUC and IOE in their Green Jobs report.

Governments should coordinate their actions in order to ease the transition towards a low-carbon, environmentally-friendly and socially-sustainable economy.

Such measures are essential if there is to be any prospect of the world taking the minimum steps necessary to avert widespread climate disaster – at best, the loss of 5 per cent of global output "now and forever" in the words of the Stern report or at worst, the collapse of societies warned of in other current models of long-term environmental and economic interactions.

The "Green Jobs" agenda supported by G8 Labour Minsters in Niigata in 2008 provides a series of key principles that need to be supported by governments worldwide. That agenda requires

- large-scale investment in energy efficiency and renewable energies;
- scaling up financial resources for research and development, diffusion and deployment of new technologies, as well as upgrading skills' development schemes; and
- The development of just transition strategies, aimed at accompanying all economic sectors in the transition towards a more sustainable society.

These "transitional" strategies require among others, consultation with unions, business and civil society, social protection policies and economic diversification.

The world cannot allow the urgent measures needed to begin to tackle climate change to be derailed by the crisis. Moving ahead on this agenda in a context of economic and financial crisis can help reach the essential ambitious climate agreement this year in Copenhagen. In order to make this happen, the future agreement needs to be based on a broad and sustainable political consensus of which unions are a key component.

III. New rules for Global Financial Markets

The G20 governments must show leadership when meeting in London to deliver genuine reform in the financial

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regulatory system. First and foremost this means action to restore liquidity and solvency in the banking system and taking measures to ensure that the national and global regulatory architecture provides for a banking system that delivers stable and cost-effective financing for the real economy. Governments must ensure that a crisis on this scale never happens again.

The banking sector contains a large number of insolvent banks, and under current circumstances, nationalisation is the only way to restore confidence, provide fair risk-sharing and ensure that taxpayers benefit from any gains once solvency is restored. Simply getting taxpayers to foot the bill for so-called "toxic debts" or 'bailing out' bank shareholders will not work. This would amount to a simple transfer from working people to the world's wealthiest households.

Governments must correct the democratic deficit that has emerged in plans to reshape the post-crisis financial landscape. Although the creation of the G20 Working Groups is welcome, uncertainty remains about the extent to which parties outside the Financial Stability Forum (FSF) such as trade unions, civil society, the UN, the ILO or any other party not connected to the existing financial institutional insider network, will be able to effectively participate in the G20 Process.

This is not the time for business as usual. Trade unions demand a seat at the table.

The current crisis has revealed the limits of the "delegated supervision" approach, which prescribes that only a small part of the financial system (for instance, commercial banks) requires proper oversight. While the re-regulation of credit rating agencies in the United States and in Europe has already begun, much more needs to be done.

The global union movement proposes an extensive action plan for the international regulation of financial markets:

1. **Clamp down on the "shadow" financial economy.** Regulate hedge funds and private equity groups to ensure a level playing field of accountability to investors, transparency and, where needed, employer responsibilities. Prohibit all forms of credit-related, off-balance sheet transactions, and severely restrict access to complex structured products until there is an adequate level of public oversight and transparency.
2. **End tax and regulatory havens.** It's time to develop and enforce high international standards of tax and banking transparency and exchange of information. Today there are 38 tax havens and bank secrecy jurisdictions on the OECD watch list that do not follow the organisation's guidelines. The G20 Summit must combat the "race to the bottom" between tax regimes and tell these countries: join the rest of the world and implement the standards or we will impose sanctions to protect tax bases. Governments must take steps to ensure that foreign investment and capital flows are subject to internationally recognised governance and transparency standards, and co-operate on tax policy and agree international taxation of financial transactions to finance taxpayer-funded public debt incurred as a result of the crisis.
3. **Ensure fair and sustainable access to international finance for developing countries.** Developing countries should be given access to credit lending terms that are commensurate to their needs and capacities. Measures include activating the IMF Special Drawing Rights (SDRs) programme, accelerating regional currency cooperation, and re-directing the capital flows of current account surplus countries, including their Sovereign Wealth Funds, towards development objectives.
4. **Reform the private banking business model to prevent asset bubbles and reduce leverage risks.** Capital adequacy rules – the amount of capital banks are required to put aside as collateral for their lending – must be further tied to the growth of the bank's holdings in assets and to the degree of risk borne by those assets. This would discourage banks from exposing themselves to excessive asset risk. It would also help drive asset allocation towards socially desirable goals and facilitate the control of asset price inflation by central banks.
5. **End the Discredited Bonus Culture.** Bonus and special remuneration schemes must be regulated by law. They must be redesigned

to promote long-term economic, social and environmental performance and allow companies to allocate profits to the company's reserves for reinvestment in productive assets. They must reflect responsible sales and lending practices. For management and traders, cap bonuses in line with workers pay, prohibit the cashing in of bonuses or other performance-related schemes within five years and introduce claw-back provisions. Management should not have pension rights that are not available to their workers. Shareholders must be prevented from plundering the wealth of companies during growth times through dividends and 'share buyback' programmes, which leave companies with undercapitalised balance sheets during economic downturns. Private equity in particular has put millions of jobs at risk due to its unsustainable, leveraged buy-out takeover model.

6. **Protect working families against predatory lending.** Increase the security of lending for working families by providing transparency of financial contracts (housing finance, credit card, insurance), access to effective recourse against abusive practices, proximity of services and affordability (ceilings on interest rates and fees). The remuneration and incentive schemes of banks and other credit-supplier should be designed to ensure responsible sales and lending practices that serve the interests of customers, not shareholders.

7. **Enhance the accountability, mandate and resources of supervisory authorities.** Ensure that monitoring and supervisory authorities have power to enforce their will and proper staffing and access to expertise and technology to fulfill their tasks. Strengthen supervisory frameworks to include direct channel of communications between these regulators and representatives of the employees within financial institutions. Governments must end the fragmented approach to financial regulation and introduce supra-national consolidation where needed, notably in Europe. A trade union voice must be heard in the governance structure of supervisory bodies. In addition, a supervisory framework should provide for the cooperation of financial authorities with unions in the financial sector: for instance, works councils and international framework agreements between Global Union Federations and multinational companies.

8. **Build a new financial service and banking landscape that works for the real economy.** Governments should encourage the growth of credit unions, cooperative banking, mutual insurance, and other community-based and public financial services. Such diversity of services and legal forms will help build a balanced and robust domestic financial services sector that serves the real economy and meets the needs of working families and small and medium sized businesses. They should also take steps to ensure that there is no future creation of large conglomerates that are either 'too big to fail', or which combine different types of business: banking, insurance, investment banking. Any restructuring of the banking sector must be conducted in line with the highest standards of social dialogue and be employment-neutral.

9. **Integrate asset and leverage risks in banking prudential rules.** Change capital adequacy rules – the amount of capital banks are required to put aside as collateral for their lending – so that capital reserves requirements are tied to the growth of the bank's holdings in assets and to the degree of risk borne by the assets. This will discourage banks from exposing themselves to excessive risk. It will also help drive asset allocation toward socially desirable goals and will facilitate central bank control of asset price inflation.

10. **Restrict shareholder dividends, share buyback programmes and leveraged-loans.** Ensure that profits are allocated to reserves (as opposed to dividends and buybacks) in sufficient amounts during growth periods in order to withstand economic down turns and solvency risks. Tackle the unsustainable financing model of the

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leverage buy-out schemes which has allowed private equity groups to plunder companies when money was cheap, leaving them with mountain of debts to repay.

IV. Effective and Accountable Global Economic Governance

In 1944 the world's major countries came together to set up new global financial arrangements that would support economic recovery. But we need much more ambitious arrangements today than those agreed at Bretton Woods.

Change must go beyond financial regulation. The crisis has revealed serious weaknesses in the mechanisms for the governance of the global economy. There is no decision making structure where interlinked policy domains can be brought together in a coherent "grand global deal".

If the trade agenda is to move forward, a much stronger social pillar is needed to anticipate and smooth the shift of employment more intense competition will provoke.

The G20 process has some of the elements of this but remains heavily weighted to finance issues. The real economy and the connected issues of decent work and poverty reduction are a marginal feature of its discussions. Furthermore, countries representing nearly half the world's population are not represented at the table and have no means of influencing its work.

There is a need for a new, manageably small decision-making forum on economic and social policies at a global level. This must be viable and have legitimacy.

A starting point for building such a structure could be the sort of global economic and social governance charter suggested by Chancellor Angela Merkel of Germany following her 5 February meeting with the heads of the OECD, WTO; ILO; IMF and World Bank.

This would be a synthesis of the guiding principles of these bodies, and elements such as the OECD multinational enterprises Guidelines, antibribery convention and principles for corporate governance thus combining rules concerning market behaviour with "complementary elements regarding employment and enterprise development, social protection, humane working conditions, sound labour relations and rights at work"[4] of the ILO's Decent Work Agenda.

Unions urge G20 leaders to begin the process of consultation needed to build support for the truly authoritative global summits of world leaders needed to manage our interdependent world economy.

Governments must start the work, but it cannot be left to bankers and finance ministry officials meeting behind closed doors. Trade unions are prepared to engage constructively with this process and should have a seat at the table.

Emerging economy and developing country governments must play a full part in the institutions of a new economic order. In particular the World Bank, whose focus is developing countries, must give them equal voting rights to the industrialised countries.

The Bank and IMF must stop imposing conditions on developing and emerging countries that pushes them in to pro-cyclical policies – where they are forced to cut living standards when they should be expanding.

The conditions applied to emergency loans in countries such as Latvia and Hungary over recent months are totally unacceptable – they are leading to social disarray and deepening the recession. Instead, the attainment of decent work and observation of core labour standards must underpin the new arrangements.

This makes particularly timely the call of the ILO in its Declaration on Social Justice for a Fair Globalization, adopted by the International Labour Conference in June 2008, to work jointly with other organizations in the promotion of decent work.

V. Make the World a Fairer Place for Life and Work

Prior to the crisis income inequality was rising both within and between nations. In many countries wages have stagnated and fallen behind wider growth in the economy.

Wages fell behind wider growth in two-thirds of the wealthiest countries who make up the OECD , and the shares of wages in national income fell in all countries for which there are data. But it is even worse in many other nations.

Even before the food price crisis of 2007-2008 and the current financial crisis, the World Bank noted that in 46 developing countries out of 59 examined, inequality has increased over the previous decade. The worsening economic situation, on top of the explosion in food prices will make them even more unequal.

This is both a result of the mistaken policies of the last few years and a cause of the credit crisis, as deregulated banks and other lenders filled the gap with irresponsible loans.

Instead of steady economic growth built on investment, productivity and the growing prosperity of working people, we have had a series of speculative bubbles that have increased the wealth of the few but are now being paid for by the many.

We need a new growth regime that is environmentally sustainable but – as was the case during the post-war period until the early 1980s – ensures balanced real wage growth in line with productivity increases.

A fair tax system must help create a less unequal society and contribute to growth.

GLOBAL UNIONS ACTION PLAN FOR FINANCIAL REFORM

1. **Clamp down on the 'shadow' financial economy (hedge funds, private equity, derivatives)**
2. **End tax and regulatory havens and create new international taxation mechanisms**
3. **Ensure fair and sustainable access to international finance for developing countries**
4. **Reform the private banking business model to prevent asset bubbles and reduce leverage risks**
5. **Control executive shareholder and other bonuses and financial rewards systems**
6. **Protect working families against predatory lending**
7. **Consolidate and enhance the public accountability, mandate and resources of supervisory authorities**
8. **Restructure and diversify the banking sector**

[4] Statement by the ILO, WTO, IMF, OECD, World Bank and Germany February 5 2009.available at http://www.oecd.org/document/32/0,3343,en_2649_34487_42124384_1_1_1_1,00.html


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In the current crisis where wages are being pushed downwards it is crucially important that floors are put in labour markets to stop the risks of a worsening spiral of deflation of earnings and prices. Governments in the industrialised countries must now encourage the rebuilding of institutions that help distribute income and wealth more fairly, as opposed to continuing the deregulation of labour markets, dismantling workers protection and weakening social safety nets.

The provision of wage floors and the extension of collective bargaining are important means to address issues of inequality and poverty. They must be supported. The same applies to minimum wages.

Wage floors are currently in use in almost all advanced economies and have been in one form or another in continuous use for most of the postwar period. They can either take the form of a national minimum wage or as a system of legally extended industry or region minima agreed in a first instance by employers and trade unions. Wage floors are used to restrict the degree of wage inequality between the bottom and the upper brackets of the earnings distribution. At the same time, they are an important instrument for reducing the power imbalance in employment relations between employers and vulnerable groups in the workforce. Collective bargaining and wage floors must be supported to maintain purchasing power in the crisis – governments must not make the same mistake as in the 1930s and allow competitive wage deflation.

At the same time G20 leaders must also take action to protect pensions. The crisis has revealed the danger of unlimited investment of workers' pensions in the 'shadow' financial sector. OECD-based pension funds have declined in value by over USD 3.3 trillion, 20 per cent in real terms, in 2008, due to the financial crisis.

The immediate impact will be felt most by those nearing retirement age, whose pensions fall under unprotected 'defined contribution' schemes, where the final level of pension depends on the performance of the pension fund. Governments must ensure an adequate retirement for workers under pre-funded schemes, including ensuring employers take their share of the pension risk and funding, and by strengthening existing government guarantee schemes and pension fund investment regulation at large.

Looking to the longer term, the tripartite structures for economic and social consultation and policy planning which provided the springboard for the 30 years of high economic growth and improving living standards of the postwar period need to be recreated.

Involving representatives of working people in the decisions that determine employment and economic growth is not only consistent with democratic principles but makes good economic sense.

The alternative neo-liberal model condemns us to repeating the mistakes of the 1920s and 1990s and maintaining the levels of spiralling inequality that resulted in financial instability and ultimately stock market crash.

Trade is collapsing, but more due to the shrinking of the real economy rather than protectionism. Nevertheless we must avoid the mistakes of the crisis of the 1930s by reverting to "beggar thy neighbour" policies.

This is a global crisis – it requires global cooperation to resolve and national measures taken to protect jobs must take account of international implications for workers in other countries.

Trade can boost economic growth, recovery and development, but only under the right conditions. Restoring the public legitimacy of the world trading system and concluding the Doha Round of trade negotiations requires progress on the enforcement of the protection of fundamental workers' rights and ensuring that developing countries are able to achieve economic recovery, employment and future industrial development.

Conclusion

Trade unions at national and international level have long been critics of the lack of balance between economic and social institutions. We have assailed the dominance of unregulated and unmanageable financial markets over the need for funding the real economy to provide decent work for all.

Now, as the pain of recession is increasingly felt in all communities around the world, we call on all global stakeholders, institutional and governmental, to work together to create a new economic world order that puts people first. The agent for change is the global financial and economic crisis and the Global Union movement can play a crucial role in charting an effective course for recovery and building a fairer and resilient order for future generations.

There will never be confidence that bankers and governments meeting behind closed doors will get it right. There must be full transparency, disclosure and consultation. Working people must be represented at these meetings. Their voice must be heard. The Global Unions are ready to play their part in building this fairer and greener future.

Banking on

Listening to the Workers to Rebu

OLIVER ROETHIG, HEAD OF UNI FINANCE

WORKERS IN EVERY SECTOR HAVE SUFFERED OVER THE PAST FEW MONTHS AS THE CREDIT-CRUNCH INSPIRED RECESSION HAS TAKEN HOLD, BUT ONE GROUP OF WORKERS AT THE SHARP END FROM THE OUTSET ARE THOSE IN THE FINANCE INDUSTRY WHERE THE ROLL CALL OF PEOPLE LOSING THEIR JOBS AND LIVELIHOODS IS MOUNTING EVERY DAY.

No one knows how many more jobs will be lost or homes foreclosed or retirement funds drained before this crisis ends. For UNI Finance Global Union, fixing the financial system is the first step to end the downward spiral and to move towards recovery.

The "fix" is not simply a matter of ensuring government oversight and ownership rights come with every loan to banks. Nor is it just about improving regulation, though a complete overhaul of regulatory bodies is necessary.

Rather, oversight and regulation of the financial industry must be accompanied by a fundamental change in the way banks do business. It's time for banking to become less about a quest for profits and more about a commitment to responsible, sustainable financial products and advice that focus on the needs of consumers.

The finance industry has a major task ahead to regain the trust of their customers and, just as importantly, the confidence of their employees.

Workers are not the ones who should pay for the failure of management and regulators. UNI opposes all compulsory redundancies and insists restructuring must be based on dialogue between management and unions at local, national and international level.

As a start, companies must open the books and make all relevant information on restructuring available to workers' representatives and unions covering the company in time for proper consultation.

In particular, staff outside a multinational's home country have to be brought into the picture and that will happen when companies negotiate and sign global agreements that protect core labour standards and social dialogue. These agreements set up a company framework for meaningful social dialogue and industrial relations across the globe.

If a sustainable business strategy for recovery is to work financial regulators and supervisors as well as companies must improve their risk assessment procedures. They need to take account of internal procedures and the realities of how work is carried out. Given the degree of insensitivity, ignorance and greed that top bosses have shown it's clear that key issues include how bonuses are paid, how products are sold, and the need for training of staff in regulatory compliance and understanding of financial products as well as the identification of new risks and trends.

Business practices must be changed, too, so that employees are no longer forcefully encouraged to sell credit cards or mortgages or any other financial product to consumers who cannot afford it, don't need it or will only lose money.

The essence of change is in creating a culture to ensure that the business is about putting customers first. In other words, short-term targets for maximum return must be replaced with a long-term and sustainable business strategy.

This means that pay and incentive systems at all levels should be realistic, sustainable, long-term and customer-oriented. As a matter of principle, incentive pay or sales commissions for bank employees should never be more than their fixed salary.

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BACKGROUND IMAGE © PETER MEMMOTT/ISTOCKPHOTO.COM

the Future

uild Confidence and Public Trust

Through setting guidelines and rules, financial supervisors and regulators must ensure that these principles are applied by companies. UNI Finance is developing a procedure for information gathering and assessing data in this area by unions. The aim is to identify global and regional trends and feed them into risk assessment and financial supervision from the local to the global level.

Proper risk assessment can only work if it takes account of the experiences and views of those that actually carry out a company's operations – the workforce.

For that reason UNI Finance is proposing that each company agrees with unions and its other stakeholders a charter – a mission statement – on sale of financial products that applies explicit, public and verifiable standards on how it operates its business and its work practices. UNI Finance invites banks and insurance companies, consumer associations, governments and other stakeholders to develop a model charter together.

Although there has been much talk about reform of the financial system and political leaders have promised determined and coordinated action, this has not yet happened and time is running out. Concrete steps for containing the crisis and for starting the reform of the financial system need to be taken.

These begin with more transparency on the liabilities of banks and insurance companies. A vicious circle of granting concessions, wishful thinking and the inevitability of bad news to follow must be stopped.

In future – and this will resonate with millions of people who have felt their precious savings under threat – commercial accounts must be insulated from the liabilities of speculation and investment banking.

A comprehensive framework of global financial supervision must be created to stop regime shopping. There must be strict enforcement of financial regulation. There must be international agreements that prevent banks from simply moving their headquarters to the countries with the low levels of regulation. There must be strong coordination among regulators and supervisors at all levels.

Risky financial practices need to be outlawed with stringent penalties for those who break the rules. We must ban off-balance sheet transactions; trading with financial products that are not listed at a recognised stock exchange; and financial transactions with companies and persons legally registered in tax havens or in countries with insufficient financial regulation and supervision.

As governments bail out the banking industry and shore up financial markets, they must ensure that the diversity of financial institutions is maintained. We must beware of the danger of a financial crisis that can lead to oligopolistic structures of private institutions. The stability of the industry depends on maintaining an array of small, medium and large, local, regional, national and multinational and private, public and cooperative players.

This is a heavy agenda and UNI Finance is coordinating union action globally for a public campaign to find worker and consumer-friendly solutions to the crisis.

This campaign is being taken up by UNI members at the national level to ensure regulation and legislation that protects workers and consumers. Our campaign calls for a bottom-up approach to banking and insurance practices. We are urging companies to implement this and governments to create legal and regulatory mechanisms to enforce it.

Without fundamental change, the underlying problems in the financial industry will not be solved. All this is needed if we want to ensure that the crisis we are facing now is not one we are doomed to repeat.

Ethics Before Profits in the News

AIDAN WHITE

THE FINANCIAL COLLAPSE HAS HIGHLIGHTED A CRISIS IN THE MEDIA SECTOR WHERE TECHNOLOGICAL CHANGES AND THE INTERNET ARE CREATING HAVOC WITH MEDIA MARKETS. IN 2008 TENS OF THOUSANDS OF JOBS IN TRADITIONAL JOURNALISM WERE LOST AS NEWSPAPERS AND MAJOR BROADCAST MEDIA CUT EDITORIAL BUDGETS AND CLOSED DOWN TITLES.

Even the iconic titles of world journalism – the *New York Times*, the BBC, *Le Monde*, *The Guardian* – have slashed jobs as owners have woken up to the reality that market models for mass media, particularly newspapers, have been broken by the Internet which is draining advertising and audience, the lifeblood of the industry. Newspapers are no longer a license to print money, and probably never will be again.

The recession has accelerated the process of decline in traditional media. In the United States the last months of 2008 saw dramatic changes with thousands of jobs lost every week. The Chicago Tribune Group announced that it faced bankruptcy. The *New York Times* sacked newsroom staff for the first time in its history. Major titles – the *San Francisco Chronicle*, the *Philadelphia Inquirer* – looked set to fall. The *Christian Science Monitor* ended its days as a newspaper and moved to the Internet. In all 50,000 jobs were cut in the US alone.

In Europe and elsewhere in the first months of 2009 the spreading crisis took on a global dimension with major broadcasters and news companies announcing cuts. Even in the entertainment field, which has a reputation for providing much-needed escapism and light relief in hard times, cuts are on the agenda with Sony and other media conglomerates announcing cost-cutting measures and job losses.

In response, the International Federation of Journalists has launched a crisis information service for its affiliates – Monitoring Change – which is providing a daily update on industry news and highlighting actions by unions at national level to counter cutbacks.

The reckless actions of Mecom, for instance, the newspaper conglomerate in Europe made up of 300 titles bought after borrowing huge sums of money to finance a buying spree, led unions in Germany, the Netherlands, Norway and Denmark to develop a cross-border campaign. The company was forced to sell some of its most valuable acquisitions to meet debt repayment demands and there have been cuts across the group leading to protests from journalists and chief editors that quality journalism has been sacrificed in the process.

It is this concern about deteriorating standards that has also prompted the IFJ to launch a new global campaign, the Ethical Journalism Initiative.

The Initiative, backed by a dedicated website (www.ethicaljournalisminitiative.org) and an extensive book, *To Tell You the Truth*, has helped unions to focus on the need to protect journalism and news media in the context of the current crisis.

The Initiative has been launched at special conferences in the Middle East and Europe and further launches are planned in Africa, Latin America and Asia during 2009 and 2010.

The union movement has always had a love-hate relationship with the press, but the financial collapse and the information revolution inside journalism provide a fresh opportunity to promote a new debate about the role of media in democratic society.

The big media conglomerates are still in place and, if anything, getting stronger as they scoop up smaller enterprises that are no longer viable, but the crisis has exposed how journalism, impoverished by reckless cost-cutting, has been reduced to an agenda of sensationalist, populist and celebrity-obsessed news.

At the heart of the ethics campaign are efforts to put quality media and journalism back on the national and international agenda. With the private sector increasingly unable to deliver pluralism and high standards of media content, there is widespread concern about the democratic deficit caused by the lack of access by citizens to reliable, useful and accurate information.

The Ethical Journalism Initiative is promoting new forms of public investment in media to maintain peoples' access to quality information. It is also calling for a renewal of public service values in media, a theme media unions say should be developed in a conference on strengthening public services across the world which is planned by the Council of Global Unions for next year.

Aidan White *is the General Secretary of the International Federation of Journalists.*

Moving Hearts

DAVID COCKROFT

WITH SLOWING WORLD TRADE AND A COLLAPSE IN CONSUMER DEMAND TRANSPORT WORKERS ARE FACING UNPRECEDENTED CHALLENGES, BUT IT IS ALSO A TIME OF OPPORTUNITY – FOR UNION GROWTH AND FOR UNION PRESSURE TO SHAPE A RECOVERY THAT WILL BUILD A FAIRER WORLD

In air transport there have been alarming falls in passenger and cargo markets. In cargo, for instance, the Asia-Pacific region, which has the biggest market share, has seen a decline of 28.1 per cent drop in cargo traffic over the last year according to transport industry figures. Passenger business is also falling. The US airline industry in November 2008 saw the worst drop in comparable monthly passenger figures since January 2002 and passenger numbers at British airports fell last year for the first time in 17 years.

The crisis is also biting in shipping with a drop in bulk sea freight, plummeting volumes in the container shipping sector and declining freight rates leading to "slashing of capacity and services" – put simply, jobs are being cut and conditions worsening.

One area where there should be a glimmer of hope is public transport given that effective and cheap public transport becomes even more important in a recession, and is essential to economic recovery. Potentially, this could be seen as an opportunity for public, sustainable transport.

For example, it was reported in February that commuters in Sydney, Australia, were abandoning their cars in favour of trains and buses due to economic and environmental concerns and that experts were predicting the start of a fundamental, long-term shift in travel behaviour.

Even so, the trend is that investment in public transport has become more dependent on private financing over the past decade, potentially leaving existing essential services, as well as funding for improved transport infrastructure, vulnerable. UK's Network Rail, for example, has announced a reduction in investment in infrastructure maintenance by 30 per cent in 2009.

Transport related to tourism is also set to fall. The United Nations World Travel Organization (UNWTO) has reported in the latter half of 2008 that global tourism shrank by one per cent and prospects for 2009 look bleak. But it's not all gloom, according to UNTWO "tourism can play a critical role in the recovery process as a sector with a unique resurgence capacity."

A snapshot of the effects of the downturn shows there is huge pressure on jobs and pay. As a result, renewed efforts to organise non-union workers is essential. The role of the union in protecting jobs and conditions is likely to have new appeal – it's an opportunity for growth and organising non-union workers can also prevent or lessen wage competition between workers.

Women are predicted to suffer disproportionately from the economic downturn. Recession is expected to increase the number of unemployed women by up to 22 million as global job crisis could "worsen sharply" this year, according to the International Labor Organization. ITF aims to combat this threat and to ensure union presence in areas where women are employed.

The ITF and its members are under no illusions about the painful effect of the crisis, but we recognise there are also opportunities for our unions. It is too much to say that capitalism had been entirely discredited, but the laissez-faire capitalism of recent decades is off the table.

Instead we must promote regulation of markets, the promotion of new forms of socially responsible business practices, and state investment in infrastructure. A space has opened up for the labour movement to argue for decent, sustainable jobs and for core values of solidarity, equality, freedom and fairness.

The ITF is working hard for its affiliates to assist them in this double challenge or arguing for new ways of doing things, and of building membership. Unions must act now in their political, lobbying and communications campaigns if they are to influence future developments.

In the search for solutions the ITF is promoting education, research, policy and communications strategies across all sections and in all regions to find answers that will work in each area and to put them into effect. This involves commissioning research reports, of education, lobbying, and communicating a message to the public that lifts the image of unions and carries a simple but emphatic message – that transport workers are vital to the global economy.

The ITF also aims to step up its monitoring and gathering of data on job losses and union strategies to combat them, including the setting up of an ITF "hotline" and website areas with downloadable resources, as well as quick distribution of economic crisis news.

At the heart of the strategy under consideration is a "union assistance" element, geared to support for unions hard hit by the crisis. This could coordinate between different unions in the same multi national companies.

If unions are to answer the global call for action to build a recovery worthy of the name they have to review their work and activities and bring fresh energy into the process of union-building and job protection. Just as important will be the need for a combative approach to putting workers jobs and their rights at the heart of the agenda for recovery.

David Cockroft *is the General Secretary of the International Transport Workers Federation*

International Transport Workers' Federation

The International Transport Workers' Federation (ITF), a federation of 650 transport unions, has shifted its focus to concentrate closely on campaigns, international networking and union organising.

Based on international solidarity since it was founded in 1896, following cooperation between Dutch and British maritime unions during a strike, the ITF uses its industrially-based structures to build the union strengths of port workers, seafarers, aviation workers, road transport and railway workers.

The ITF's 60-year old Flag of Convenience campaign supports the rights of seafarers in the world's oldest globalised industry. Maritime unions' efforts culminated in 2003 in the first ever internationally bargained, worldwide collective agreement.

In road and rail transport as well as in ports and airports, the ITF is dealing with multinational corporations and developing policies to build industrial muscle in today's boom industry – the logistics sector. Here, as in the passenger transport industry, changing employment structures have led the ITF to look closely at the profile age and gender of the workforce.

Led by its affiliated unions, today's ITF is responding to globalisation with a planned approach to organising along global transport and supply chains, coupled with strategic campaigns to ensure transport workers' rights are respected the world over."

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Education International

EI is the Global Union for teachers and other education workers, with 30 million members in more than 400 member organisations in 172 countries and territories. There are four regional conferences: EI Europe, including the European Trade Union Committee on Education; EI Asia and Pacific, EI Africa, and EI Latin America. Member organizations in North America and the Caribbean meet regularly in a fifth regional grouping.

EI members come from all levels of education – from pre-school to university. Over 50 percent of members are women, and gender equity is mandated by EI statutes in its governance structures.

The World Congress bringing together over a thousand delegates meets every three years, and regional conferences meet between Congresses. The Executive Board currently has 26 members from 24 countries.

EI is committed to promote the right to education for all persons in the world, without discrimination, and to this end:

To pursue the establishment and protection of open, publicly funded and controlled educational systems, and academic and cultural institutions;

To promote the political, social and economic conditions that are required for the realization of the right to education in all nations and for the achievement of equal educational opportunities for all.

Together with advocacy, another focus for EI is solidarity. Development cooperation programs of solidarity between members in the industrialised and developing countries to support leadership training and capacity building. A principal focus is the development of union capacity to work for Education for All in each country. This is combined with an extensive program aimed at the prevention of HIV/AIDS. Programs are currently underway in 27 countries.

EI also applies the principle of linking local mobilization with global advocacy in defense of human and trade union rights. Teacher union leaders are often targeted either by governments or by armed groups. When leaders are attacked, or imprisoned, or member unions repressed, EI launches Urgent Action Appeals and affiliates respond with waves of protests to the governments concerned.

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International Federation of Journalists

'There can be no Press Freedom if Journalists Exist in Conditions of Corruption, Poverty or Fear'

The IFJ is the Global Union for journalists. It was first created in 1926 and relaunched in its modern form in 1952. Today it represents more than 600,000 journalists in 150 national unions covering 119 countries.

The IFJ campaigns vigorously for journalists rights. It promotes trade union development work and insists that professional rights can only be defended when there are independent, vigorous and representative trade unions for journalists.

The IFJ works closely with agencies of the United Nations and carries out media development work to combat social exclusion in partnership with journalists' unions. The Federation has regional offices in Latin America, Africa, Asia, the Middle East and Europe.

A primary concern for the IFJ is the safety and security of journalists and media staff and the IFJ is the founder, with leading media employers, of the International News Safety Institute, a specialised NGO dedicated to improving levels of protection for journalists and media staff.

The IFJ is closely associated with campaigns at national, regional and global level to improve levels of media pluralism and to counter the threat to democratic rights and secure working conditions posed by excessive media concentration. With other trade union groups in the media and entertainment sector the IFJ works to promote public interest values in media, to defend authors' rights and to promote decent working conditions in journalism.

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UNI Global Union

UNI is the Global Union for skills and services with 20 million members in 900 unions and four regional organisations, UNI-Africa, UNI-Americas, UNI-Asia & Pacific and UNI-Europa, each of which is campaigning for a real social dimension to regional economic integration.

UNI Global Union is working to build union growth and represents members in the following sectors: Commerce, Electricity, Finance, Gaming, Graphical, Hair & Beauty, IT, Business Services, Industry, Media and Entertainment, Post, Cleaning and Security, Telecoms, Tourism and Social Insurance. Each sector is a global union in its own right with action plans aimed at organising, raising industry-wide standards and negotiating global agreements with companies.

To develop issues across sectors, UNI has three groups which are working to promote global equality, to champion youth and to bring professionals and managers into unions.

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International Textile, Garment and Leather Workers Federation

The International Textile, Garment and Leather Workers Federation is a Global Union Federation bringing together 217 affiliated organisations in 110 countries.

The aims of the ITGLWF are to draw up policy guidelines on important issues for unions in the sectors and coordinate the activities of affiliates around the world. It acts as a clearing house for information of relevance to the daily work of unions and undertakes solidarity action in support of unions in the sector.

The ITGLWF runs a programme of education and development aid to assist unions in developing countries in organising workers and it actively lobbies intergovernmental organisations and other relevant institutions to ensure the interests of workers in the sectors are taken into account in decisions made at international level.

The ITGLWF is funded by subscriptions from its affiliated organisations. Education and development aid programmes are funded by donor organisations. The Congress is the supreme authority of the ITGLWF and meets once every four years to decide general policy. It is composed of delegates from affiliated organisations.

The Executive Committee meets once a year and is responsible for directing the activities of the ITGLWF and implementing the decisions of the Congress. It provides representation on the basis of number of paid-up members by country and currently includes representation from 34 countries.

While the overall priorities and policies of the ITGLWF are handled at global level, regional activities and relations are covered by the regional organisations which operate as an integral part of the ITGLWF, though each has its own decision-making bodies and conducts its own activities: FITTVCC/ORI, the Americas' regional organisation, is based in Venezuela; ITGLWF/ERO, the European regional organisation, is based in Belgium; TWARO, the Asian regional organisation is based in Japan; the African Regional Consultative Council, is based in South Africa.

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International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations

The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) is the Global Union Federation of trade unions representing workers employed in agriculture and plantations; the preparation and manufacture of food and beverages; hotels, restaurants and catering services; and all stages of tobacco processing

The IUF is composed of 348 trade unions in 127 countries with a combined membership of over 12 million workers. From its founding in 1920, international labour solidarity has been the IUF´s guiding principle. The IUF builds solidarity at every stage of the food chain, international organising within transnational companies and supporting global action to defend human, democratic, and trade union rights

Strengthening Affiliates. The IUF exists to strengthen member unions through mutual support. It does this through: supporting affiliates in organising drives and in conflicts with employers and governments; coordinating and implementing solidarity and support actions; sector-wide organising; research and publications; promoting women's equality at the workplace, in society and in the trade union movement; and trade union education programmes

International Recognition and Collective Bargaining. No IUF sector is unaffected by globalisation. The IUF seeks to create an international union counterweight to the power of transnational companies. We fight for union recognition at every level, including international level. In today's global economy our goal must be internationally negotiated rights and standards within global companies

Defending Human, Democratic and Trade Union Rights. The active defence of trade union, human and democratic rights is an essential part of IUF ongoing activity. Defending these rights is a fundamental class issue.

The IUF gives active support to movements everywhere struggling against oppression. We respond internationally to every attack on our affiliates and on the labour movement. We are committed to building alliances with human rights, environmental, consumer and other organisations in civil society who share our objectives.

Regions. IUF regional organisations exist in Africa, Asia/Pacific, the Caribbean, Europe, Latin America and North America. The regions are autonomous, and pursue independent activities in close collaboration with the IUF and its governing bodies. In addition, sub-regional bodies exist to coordinate activity at that level.

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The Building and Woodworkers International

The Building and Woodworkers International (BWI) is the Global Union Federation for unions covering workers in the building, building materials, wood, forestry and related areas of work. The BWI has 338 national affiliates in Africa and the Middle East (88), Asia (75), Europe (119), North America (7), Latin America and the Caribbean (49)

With millions of children at work, many of them working as labourers in construction, BWI promotes practical solutions to the child labour crisis through schooling, campaign and organising. In India, the BWI campaign Children Should Learn Not Earn! has set up schools for child workers, pulling thousands out of building sites and getting them into the classroom.

Similarly, the BWI Gender Empowerment programme has helped train thousands of women workers in union work to combat low pay and dangerous work in construction and wood and forestry.

With 100,000 workers dying every year from asbestos related diseases, Health and Safety is a key concern. BWI- affiliated unions are campaigning for a global ban on asbestos. In Latin America, bans have already been implemented in several countries.

BWI has succeeded in gaining the inclusion of the ILO core labour standards in systems for certification of wood and forestry products, such as Forestry Stewardship Council and the Programme for the Endorsement of Forest Certification Schemes. In Africa this has helped unions to fight poverty through sustainable forestry and better working conditions.

In the defence of human and workers rights BWI helps train promoters of trade union and humans rights and backs legal actions with global solidarity work.

With more than 10 multinational construction and wood industry companies signed up to global agreements BWI has given practical meaning to international social dialogue and the promotion of ILO Conventions. BWI has lobbied the World Bank for the adoption and implementation of ILO core labour standards as mandatory to procurement policies.

In May 2005 mandatory clauses were added to World Bank construction contracts on forced labour, child labour, non-discrimination, and other labour standards. In 2006, the private sector wing of the Bank required its clients to respect core labour standards.

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International Metalworkers' Federation

The International Metalworkers' Federation (IMF) represents the collective interests of 25 million metalworkers from over 200 unions in 100 countries. Founded in 1893, the federation covers industries such as steel, non-ferrous metals and ore mining, mechanical engineering, shipbuilding, automobile, aerospace, electrical and electronics.

The IMF aims to improve metalworkers' wages, working and living conditions and to ensure that metalworkers' rights are respected. To achieve this, the IMF works with its national affiliates and at a global level to:

- Build a global metalworkers' movement,
- Strengthen international solidarity,
- Engage with transnational corporations,
- Secure workers' rights, including the rights of women workers, and
- Fight for sustainable economic development.

The IMF keeps abreast of developments in the metal industry, servicing its member unions with research on economic and social issues and fighting for trade union and human rights.

In addition to organising industrial and regional conferences, the IMF brings together trade union representatives to discuss international union policy on subjects such as trade and development, organising the unorganised and health and safety.

Since 2002, the IMF has signed a series of International Framework Agreements (IFAs) with transnational companies, establishing core labour standards as a minimum requirement for the company and its suppliers.

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International Federation of Chemical, Energy, Mine & General Workers' Unions

The ICEM represents 20 million members through its 467 Affiliated national trade unions in 132 countries. The ICEM Sectors are:

- **Energy**: Oil and gas exploration, extraction, production including refining and distribution; Electrical, including Nuclear, generation and distribution.
- **Mining and Quarrying:** Exploration, extraction and processing of hard coal and lignite, metallic and non-metallic minerals, clays, sands, gravels and gems. Also, diamond and gem sorting, cutting and polishing, and ornament and jewellery manufacture.
- **Chemicals and Bioscience:** Research, production and refining of chemical elements, compounds and products, pharmaceuticals, chemo-technical products, petrochemicals, agrochemicals, plastics, plastic products and components and artificial fibres. Also, research and manufacture of products and materials resulting from biotechnical methods or genetic engineering techniques.
- **Pulp and Paper:** Production and conversion of pulp, paper, paperboard and paper packaging.
- **Rubber:** Research and manufacture of synthetic rubber and composites and fabrication of both natural and synthetic rubber products.
- **Glass, Ceramics, Cement:** Research and manufacture of flat glass, container glass, glass fibres, household glass and all other glass products; all types of pottery, clay and ceramic materials; Cement, non-metallic minerals, composites and products.
- **Environmental Services:** Waste disposal and recovery, pollution control, recycling, cleaning and maintenance, laundry, dry cleaning and hygiene services, porterage and security and associated activities.

Major Activities and programmes: The ICEM is dedicated to practical union solidarity globally. The GUF unites unions in its sectors and provides real life union-building support to unions in developing countries through donor-funded projects. The ICEM has taken the lead globally in a campaign to curb the escalating use of contract and agency labour by promoting the sustainability and benefits of full-time and permanent employment. The ICEM is working with the world's major mining companies to stem the spread of HIV/AIDS by building medical clinics for full community access near mining sites in remote regions.

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Public Services International

PSI is a Global Union Federation for public sector trade unions. PSI represents some 646 affiliated trade unions in 158 countries. Together, these unions organise more than 20 million public sector workers, providing services in central government, health and social care, municipal and community services, and public utilities.

PSI represents the interests of public sector workers. Since 1907, when it was founded, PSI has co-ordinated public sector struggles for workers' rights, social and economic justice, and efficient and accessible public services.

PSI campaigns to improve the quality of public services. This involves working closely with international organisations, national governments, consumer lobbies, community organisations and NGOs.

PSI solidarity and union development projects help affiliated unions by providing training and capacity-building support on the ground, especially in countries where trade unions are fighting for recognition.

PSI presents the public sector case at the International Labour Organisation and other United Nations bodies, the World Bank and the regional development banks, the International Monetary Fund, the World Trade Organisation, the Organisation for Economic Co-Operation and Development and many others.

PSI has active women's committees at global, regional and sub-regional levels, and all decision-making structures are based on gender parity.

PSI has regional bases in Barbados, Belgium, Brazil, Chile, Colombia, Costa Rica, the Czech Republic, India, Japan, Lebanon, Singapore, New Zealand, Romania, Russia, South Africa, Togo, Ukraine and the USA.

PSI works closely together with ICFTU – the International Confederation of Free Trade Unions – and other union federations, in particular EI, the Education International, and the European Federation of Public Service Unions.

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International Arts and Entertainment Alliance

This Global Union Federation comprising FIM, FIA and UNI-MEI is a truly independent and representative body, recognised by ITUC and, with respect to its European activities, by ETUC. Recent activities have included workshops in Latin America through the regional coordination of IAEA (CREA) to promote the rights of workers in film production. Alliance members are recognised by WIPO, UNESCO and the ILO and the Council of Europe and the European Union. Additionally, FIM holds observer status with the International Organisation of the Francophonie.

The International Federation of Actors (FIA) was set up in 1952 by the French performers' union and its sister organisation in the UK and currently represents more than 100 performers' unions, guilds and professional associations in over 75 countries.

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http://www.fia-actors.com

The International Federation of Musicians (FIM), founded in 1948, is the only international organisation representing musicians worldwide. It has member unions in over 70 countries.

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UNI-MEI, the media and entertainment section of UNI Global Union, represents broadcasting workers, film and theatre technicians and staff, specific creative and professional groups (writers, screenwriters, directors, visual artists), other arts and entertainment workers, as well as workers in sports and a variety of related groups.

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Trade Union Advisory Committee to the OECD

The Trade Union Advisory Committee to the OECD (TUAC) is the official voice of the labour movement at the Organisation for Cooperation and Development. TUAC has played an important role in OECD work for more than 40 years, bringing the voice of more than 60 million workers in the 30 industrialised countries to the international policy debate. TUAC's affiliates consist of 56 national trade union centres. They finance TUAC activities, decide on policy and elect TUAC officers.

TUAC was founded in 1948 as a trade union advisory committee for the European Recovery Programme – the Marshall Plan. TUAC has represented organised labour's views to the OECD from the moment of its formation in 1961.

With the onset of globalisation and the debate in the OECD as a potential regulator, TUAC has stepped up work with Global Union partners to seek to ensure that global markets are balanced by respect of workers' rights and effective rules governing multinationals.

Through consultations with OECD governments and experts, TUAC co-ordinates and represents the views of the trade union movement in the industrialised countries. It also coordinates trade union input to the annual G8 economic summits and employment conferences. The main areas of TUAC work are:

- Economic policies in general (including preparation of the trade union statement for the G8 Economic Summits and Employment Conferences); Structural adjustment and labour market policies; sustainable development.
- Education and training policy; Pension and retirement security; The impact of globalisation on employment;
- Governance for global markets, including implementation of the OECD Guidelines for Multinational Enterprises and OECD relations with non-member countries notably in Central and Eastern Europe and in Asia.

OECD instruments such as the Guidelines for Multinational Enterprises are not binding in a legal sense, but they can be effective as a tool for defending workers' rights. A major revision in 2000 added new guidelines (e.g. on human rights and anti-corruption) and strengthened others (e.g. the environment). The revision also enhanced the implementation mechanisms of the Guidelines and extended their reach to business operations worldwide and sub-contractors. TUAC assists unions in raising cases with governmental National Contact Points designed to ensure that the Guidelines are implemented.
TUAC was also involved from the start in the 2003-2004 revision of the OECD Principles of Corporate Governance in the wake of corporate scandals, taking part in the Steering Group that developed the revised text.

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COUNCIL OF GLOBAL UNIONS

The Council was set up in 2007 bringing together the newly-formed International Trade Union Confederation, the Global Union Federations and the Trade Union Advisory Committee to the OECD (TUAC). The Council of Global Unions aims include promoting trade union membership and advancing common trade union interests worldwide through enhanced cooperation. Global Union Federations represent workers in the different economic sectors, from education, public services, manufacturing to retail and the media.

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ITUC

The International Trade Union Confederation brings together national union centres which are, in turn, composed of sectoral unions. It focuses on policy matters and on the defence of trade union rights and represents the interests of working people to global organisations including the United Nations. It plays an especially important role at the tripartite International Labour Organisation where it coordinates the Workers' Group. It mobilises its affiliates to intervene with their governments and to participate in international actions. It works closely with all of the other Global Unions.

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