

INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS (ICFTU)

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### Trade Unions in Davos: "Dangerous Fragility in Global Economy"

BRUSSELS, 27 January 2005, ICFTU Online: International trade union leaders at the Davos World Economic Forum Annual Meeting this week are warning governments and industry leaders of dangerous fragility in the global economy. With a ballooning US budget deficit, precipitous decline in value of the US dollar, persistently high oil prices, and the increasing shift of global production to China, the livelihoods of tens of millions of workers in developing and industrial countries around the world are under threat.

With this year's Davos theme of "Tough Choices", the trade union leaders are calling for new measures to bring coherence and accountability into global decision making, and urgent steps to put social concerns at the centre of international trade and financial policy. The end of the quota system for trade in textiles and garments is yet another example of how millions of working people and their families face ruin as a result of unbalanced and incoherent global decision-making. Several developing countries, such as Bangladesh, Mauritius, Cambodia and others, face catastrophic loss of textile sector exports as companies move to China, to take advantage low-wage exploitative production based on severe repression of basic workers' rights by the Chinese authorities.

"Global leaders can only make the right choices if they are working on the basis of multilateral decision-making, which takes proper account of the interests and concerns of working people, upon whom global development and prosperity depends", said Sharan Burrow, President of the Australian Council of Trade Unions and of the ICFTU, adding that "working people all over the world face growing insecurity, which politicians and business leaders ignore at their peril".

Burrow is one of the delegation of 17 international trade union leaders at the Davos event. "The international trade union movement has embarked on a major process of consolidation, with the unification of the ICFTU and the World Confederation of Labour. We know that we must work together to meet the challenges of globalisation. We believe that the global institutions and their member governments must also look at their own coherence and work together much more effectively in the future," she said.

The union delegation is also highlighting 'Wal-Martisation' in the way some companies are now doing business. "Some in the business community hold Wal-Mart up as a positive example, but the reality for that company's employees is one of intolerance and exploitation. They face poverty wages, discrimination, poor or no health care and other violations of their fundamental rights. If other companies follow this example in a race to the bottom, then the future for the workers concerned, and their families, will be very bleak indeed" said Philip Jennings, General Secretary of UNI, the Global Union Federation of workers in the finance, commerce and service sectors. Jennings also pointed to "double standards" in some global corporations which, while treating their workers fairly in their home country, take advantage of poor labour legislation and inspection to exploit workers elsewhere.

The role of the United States in the world economy is of particular concern, and the union leaders are calling on the US Administration to put the world's major economic power back onto the 'right track', moving away from its deficit-driven policy, re-engaging fully with the multilateral institutions which set the global policy framework, and ensuring full respect for international labour standards in the US itself.

With 2005 seen as a "make or break" year for the United Nations' Millennium Development Goals (MDGs), the international trade union movement is intensifying its action to tackle global poverty. The World Economic Forum's Global Governance Initiative has recently estimated that governments, business and civil society are only putting about one-third of the effort needed to achieve the MDGs. "Urgent and comprehensive action is needed, and we will be pushing hard for this in 2005 through the Global Call to Action Against Poverty. The United Kingdom, which has strongly committed itself to the MDGs, is Chairing both the G8 and the European Union this year, so this issue will stay on the international agenda. The challenge is to turn the promises into reality", said John Evans, General Secretary of the Trade Union Advisory Committee to the OECD.

The union delegation in Davos will also be holding talks with key leaders on reconstruction in the wake of the Indian Ocean tsunami, again emphasising that the aid pledges made by governments must be translated into actual funding, which has not always been the case in previous disaster responses. The unions will be arguing for stable and long-term commitment to the reconstruction, with employment creation and skills training in the affected areas at the centre of efforts. The findings of a recent international trade union mission to tsunami affected areas will also be the subject of talks with government, business and ngo representatives at the World Economic Forum.

Trade union leaders from Australia, Belgium, Denmark, Malaysia, Norway, the UK, USA and Zambia, along with representatives from the ICFTU, WCL and Global Union Federations in various industrial sectors are attending the World Economic Forum Annual Meeting in Davos.

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Labour Leaders Statement to World Economic Forum 2005 Annual Meeting  
<http://www.icftu.org/displaydocument.asp?Index=991221184&Language=EN>

The ICFTU represents 148 million workers in 231 affiliated organisations in 150 countries and territories. ICFTU is also a member of Global Unions: <http://www.global-unions.org>

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