



# NOW THE PEOPLE

2<sup>ND</sup> ITUC WORLD CONGRESS

VANCOUVER, 21-25 JUNE 2010

NOW THE PEOPLE – FROM THE CRISIS TO GLOBAL JUSTICE





# CONGRESS THEME REPORT

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FROM THE CRISIS TO GLOBAL JUSTICE



# Introduction

Delegates to the 2nd ITUC World Congress will be coming from countries which are all experiencing, in different ways and to different degrees, the impact of the global crisis. For the people they represent that has often meant acute hardship and great insecurity. And for their trade unions it has made old problems more acute and added new ones to them.

Trade unions are not alone in trying to find a way out of the crisis and to make sure that what comes after it is very much better than what came before and insures against repetition of the injustices and suffering of the past. But with many of the causes of the crisis firmly rooted in the world of work, and with many of them being global in scale, the international trade union movement faces particular challenges which bring with them both responsibilities and some opportunities.

The ITUC's conviction is that after decades of injustice it is now the turn of the people – all of them – to enjoy the benefits of globalisation and that the path forward from the crisis must lead directly to global social justice.

Part I of this report sets out the key areas for action to make that happen. But it warns too that there is real danger that instead of taking this high road out of the crisis, without a clear break with the failed and unfair orthodoxies of the past the world could slip back into even greater injustices.

The world is at a tipping-point between one future which can offer decent work, sustainable and balanced development, improved living standards and respect of human rights and another which would plunge millions into unemployment, poverty and helplessness, with all the dangers as well as suffering that would bring.

It is up to the ITUC to throw its weight into the balance so that it tips the right way and the world goes forwards not back. But the influence that the ITUC can have depends on its own performance and capacities and how it is able to bring the strength of its affiliates to the causes it fights for.

Part II of this report takes a look at the ITUC itself after nearly four years of existence, at its successes, shortcomings, and challenges. The momentum gained from unification has been important and the ITUC can point to significant achievements. But nobody should suppose that it has yet reached its full potential or that the task of building the new internationalism is complete. This part of the report, therefore, focuses on what still needs to be done to make the ITUC the instrument of effective representation for all workers in the globalised economy that it was created to be.

The report has attached to it a draft resolution which reflects its content and structure. Discussion in the Congress plenary is being organised to promote concrete debate and decision-making, with each of the two parts being taken up in separate sessions.

Delegates are asked to focus sharply on what they consider to be key issues. Following the debate the draft resolution will be referred to the Congress Resolutions Committee for amendment in the light of the plenary debate before its final adoption.

The decisions of the Vancouver Congress will be of no less significance than the historic ones taken in Vienna in November 2006. I trust that this report provides the right basis to allow all affiliates to contribute to making sure that the ITUC takes up fully its responsibilities in getting working people out of the crisis and onto the road to global social justice.

Guy Ryder  
ITUC General Secretary



# PART I

## FROM THE CRISIS...

1. When they approved the founding programme of the ITUC in Vienna, Congress delegates pledged it “to change globalisation fundamentally”. But few who took the floor then spoke about any “crisis of globalisation”. It is a safe assumption that in Vancouver, few will fail to do so. Because in these first years of the ITUC’s existence, dramatic change has indeed engulfed the world economy, brought about not so much by the exertions of trade union internationalism but by massive financial collapse and all of its consequences for the real economy and those who work in it.

2. The financial meltdown has provoked an unprecedented social and employment crisis. At the time of writing, 34 million jobs have been destroyed worldwide, a further 64 million pushed back into extreme poverty and over US\$ 1.1 trillion spent to save institutions which bear heavy responsibility for the course of events. The toll of job losses continues and the prospects of a real return to financial stability are far from certain. Politicians and commentators are inevitably divided in their forecasts. But those who, inspired by stock market rallies and resurgent bank profits, would place us on the upper slopes of recovery fail entirely to understand the nature of this crisis or the human cost being paid.

3. The figures by themselves are breathtaking evidence of massive human suffering, visited overwhelmingly on those least able to bear it and least implicated in causing it. And for that reason the crisis has generated profound and justified indignation and a sense of unacceptable injustice. These may be overlaid by feelings of hopelessness, fear, and defensiveness but they are not extinguished by them. The demand for change is strong. Nothing though would neutralise it more effectively than the belief that no alternative is on offer to the model that brought in the crisis. The international trade union movement stands central to the task of constructing that alternative and winning support for its implementation. It must be credible and it must be of sufficient scope to dislodge the existing model and put in its place one which responds to the objectives that the ITUC shares with many millions of the world’s citizens. The opportunity in this crisis is that it offers a real chance to fulfil the Vienna mandate for “fundamental change”.

### One Step Forward – or Two Steps Back?

4. Focussing on the appalling damage done by the crisis does not mean that all was well before it struck – far from it. Indeed the ITUC and its affiliates had been outspoken in their criticisms of the failings of globalisation, and their warnings of the dangers of major breakdown. Before the emblematic September 2008 fall of Lehman Brothers, workers across the world had already been enduring the effects of decades of erosion of their share of global income. Wages had become decoupled from rising productivity and stagnated even as profits surged and when growth was buoyant. The result is that today wages in many countries take up the same share of national income that they did in the 1930s. Indeed one cause of the crisis lies in this stagnation of earned income and in massively growing inequality which many tried to compensate by acquiring dangerous levels of personal indebtedness on the back of asset price bubbles. And as debt became the opium of some of the masses, so it triggered the chain reaction of financial meltdown.

5. For many millions of people, the situation was critical before the system entered into crisis. Nowhere was that more evident than in respect of access to food and to energy. In the six years before the financial crisis broke, world prices of staple foods such as corn, wheat, and rice rose by 190%, 162%, and 318% respectively dramatically limiting the access to food of millions of poor people. And in July 2008 oil prices reached an historic peak of \$147 a barrel as the world began to face up to the reality that current energy sources and supply systems were simply not sustainable. It is debatable whether the hardship and poverty generated or exacerbated by these food and energy crises has been greater than that resulting from financial failure, but they are of comparable scale. And if global recession may have eased temporarily the pressure on prices, this should not be seen as anything other than short term remission. At the time of writing, oil has again gone above \$80 a barrel and the prices of rice and maize stand at about 50% above their 2006 levels. As a consequence there has been a sharp increase in malnutrition with the number of undernourished in the world breaking through the one billion barrier in 2009.

6. With policy makers understandably focused on pulling the global economy out of recession and setting it on the path of sustained recovery, the ITUC and its affiliates face a potent mixture of dangers and opportunities which Congress provides a timely opportunity to address.

7. The principal danger lies in a return to business as usual, with the previous model patched up and reinstated with some of its more damaging and unjust features made worse by policies aiming at reducing the levels of public debt accumulated as a result of government spending to bail out financial institutions and to implement the stimulus packages needed to boost economic growth and safeguard and create jobs.

8. On this basis, and in the absence of fundamental change, the post crisis situation for workers looks likely to be still worse than the one existing before. That is exactly what some of the exit strategies now being worked out would lead to: slower trend rates of growth; higher levels of unemployment; further reductions in wages and living standards; and harsh cuts in public spending, combined with calls for still greater levels of labour market flexibilisation and a heavier fiscal burden on those worst placed to bear it.

9. Were this to happen, the global crisis would stand not as the moment of rupture with the anti-worker, anti-poor and gender-biased orthodoxies of the last three decades but instead as the occasion when those interested in its survival succeeded in applying one more turn of the screw. Not only would labour be the primary victim of the crisis itself; it would also be called upon to foot the bill for pulling out of it. To the massive human suffering of lost jobs, homes and pensions would be added the hardship of a further degradation of labour market conditions and a punishing climate of fiscal rigour and public service cutbacks.

10. This prospect is a far cry from the discourse of political leaders of all hues at the most dramatic moments of the crisis when collapse of the entire financial system seemed a real and imminent possibility. In a collective bonfire of established orthodoxies their quickly constructed – if vague – new consensus was for sweeping change in the workings of the global economy, starting with unprecedented action to kick start growth, and a profound process of regulation of financial markets and institutions. The greed and irresponsibility of the past, and the injustices and inequities which went with them, would not be allowed to stand. Decent work, social justice and a fair globalisation were at last on the agenda, and the G-20 was established to make sure that change happened.

11. Trade union satisfaction at hearing the ITUC's longstanding policies and values echoed in the speeches of politicians who had previously shown scant sympathy for them was reinforced by ITUC access to and influence on the first Summits of the G-20 Leaders in Washington, London and Pittsburgh. It was beginning to look something like a paradigm change, a real chance for a new start for globalisation and a new deal for workers everywhere. But such optimism was, and is, tempered by the accompanying realisation that those whose interests lay in maintaining the existing model were, from the outset, active in preparing its defence. Moreover, as the global economy showed signs of timid recovery and the financial institutions that had been teetering on the brink regained some stability and publicly-funded profitability, that defence gained in confidence and became increasingly assertive. As Wall Street rapidly shrugged off any complexes it might have had about a return to the excesses of its bonus culture it, and its allies, became increasingly vociferous in their resistance to the regulatory agenda which the crisis had shown to be so urgently required.

12. It is in these conditions of flux and uncertainty that Congress meets. The opportunities for fundamental change that the crisis generated have not evaporated. But the uneasy sensation that the window for those opportunities is closing is growing. So is the danger that without real and significant progress in the relatively short-term, the road away from the crisis will not lead forward to global social justice but back to the previous downward spiral of increasing inequality and unfairness at work and in society.

13. It is particularly worrying that the political momentum in favour of progress looks in danger of being dissipated. The very fact that ringing calls for transformational change came initially from right across the political spectrum itself suggests that they were motivated more by panic and basic instincts of survival, than by conviction. Nor, despite some notable positive results – in the US, Latin America and Japan for example – have electoral politics provided evidence that popular demands for change are finding convincing answers in a progressive agenda still less a coherent global one. Indeed, the 2009 elections to the European Parliament would indicate, if anything, a tendency to opt for the known quantities of the past in times of uncertainty and disillusion.

14. Trade unions should not take on themselves, alone, the task of constructing an alternative vision of a global economy which responds to the basic notions of social justice, not least because they are unlikely, by themselves, to have much chance of realising it. But they can, and must, contribute to it, and their responsibility becomes greater as the failures or timidity of others becomes more apparent. The most over-used cliché of the crisis is that “global problems require global solutions”. It has served as a handy excuse for national political leaders to absolve themselves of any responsibility for the grievous policy errors that produced the crisis by pleading their impotence in the face of “global forces”. But more usefully, and because it is also true, it underlines that much of what trade unions must now do can only be done through internationalism, through the ITUC, and at this Congress.

### **From the Crisis to Global Justice**

15. One difficulty in implementing the ITUC's mandate for fundamental change in globalisation is that it runs the risk of being seen as unrealistic. Add to that the pressing need to fight immediate battles for incremental solutions to specific problems, and the real danger of slipping back from a broad struggle for a new model or paradigm to a narrower programme of rehabilitation of the existing one becomes apparent. The difference is between qualitative and quantitative change; between repairing the existing vehicle of globalisation and replacing it with one which is different and better.

16. The proposition before Congress is for the more ambitious option, because the experience of the last three decades and our current circumstances call for it. Should Congress share that ambition, it will need to say what it believes it will take to effect transformational change in terms which are sufficiently credible, but also of sufficient substance to redefine the position of labour in a new global order which ends the injustices of the current one and makes serious inroads into its accumulated effects. What follows is an outline of key components of the shift from crisis to justice. Each appears essential, and Congress may add to them. But it is evident too that all of them need to be pursued; they are inter-connected, and if any one of them is lost or detached then the entire project is unlikely to succeed. The ITUC needs to adopt, and to pursue, an integrated programme for change bringing together at least the following six elements.

### **Jobs First: Decent Work for All**

17. The crisis has thrown into sharp relief the extent of the worldwide drama of unemployment. But it is too easily forgotten that what the ILO has termed “the global decent work deficit” has been a tragic and growing reality for many years. The 34 million job casualties of the crisis come on top of some 178 million already unemployed with chronic underemployment a less easily quantified reality for many countries. And the fact that 50.6 % of the global workforce is, again according to the ILO, engaged in vulnerable work with 633 million workers and their families defined as working poor testifies to the need to reverse the dramatic degradation of the quality of work and of working life, for a large proportion of workers. None more so than women, who perform 66 percent of the world's work, produce 50 percent of the food, but earn 10 percent of the income and own 1 percent of the property. And as the worldwide distribution of income has shifted away from labour to capital, so inevitably many of those in work have found themselves trapped in poverty and helplessness. For them, this is the exact opposite of the mirage of opportunity and prosperity preached by proponents of neo-liberal globalisation. It is not only taking inequality to ever higher and intolerable levels but also blocking the chances

of social mobility. The idea of working hard and moving up no longer applies. More than ever, the best way to get rich is to be born rich, and the most likely reason for being poor is being born poor. It is a system which preserves privilege and perpetuates poverty.

18. Much of this situation has been brought about by a conscious, ideological abandonment of full employment as a primary objective of public policy, which had previously been the object of broad social consensus and assumed as a responsibility of the state. Indeed, ILO Convention 122 adopted in 1964 requires the achievement of full, freely chosen and productive employment to be the primary goal of economic and social policy. Globalisation was both an alibi for this abdication – allegedly it was simply impossible to pursue national policies for full employment in conditions of globalisation – and added its own toxic effects as the ability to relocate production and jobs placed downward pressure on working conditions. What happened nationally was replicated globally as the international financial institutions, in defiance of their own constitutional objectives, declined to make employment creation an explicit policy priority and did much to add to the tragedy of joblessness. Like many governments they were deaf to calls for action on jobs because they were marching to the drum beat of the free market fundamentalism that held it futile and misguided to do otherwise.

19. Importantly, from the end of the last century, this orthodoxy was challenged by the decent work agenda with its insistence on the need for quality employment for all, full respect of fundamental workers' rights, adequate social protection, and functioning social dialogue. That agenda won wide formal acceptance; particularly in the organisations of the multilateral system, not least the United Nations itself, and also from an impressive number of governments individually. Yet moving from that background chorus of approval to the implementation of concrete policies for full, quality employment has remained a largely unmet challenge – one that the mass destruction of jobs in the crisis has renewed and placed centre stage.

20. The international response to that challenge has some encouraging aspects. The ITUC working closely with TUAC was itself heavily instrumental in having the G-20 broaden its initial focus from exclusively financial problems to address the social and employment impact of the crisis. The ILO was brought into the G-20 process, and at the London summit in April 2009 the G-20 leaders pledged "to do whatever is necessary to restore confidence, growth and jobs". The Global Jobs Pact, jointly negotiated and adopted by worker, government, and employer representatives at the 2009 International Labour Conference not only constitutes a tripartite international commitment to put decent work at the heart of crisis response but provides valuable guidance on how that can be done. Its logic is that job creation cannot simply be allowed to follow the eventual recovery of economic growth with the habitual time-lag, but must be promoted vigorously to lead the way out of crisis, and sustained thereafter. The vital role played by public services such as education and health in fulfilling needs at the same time as investing in the future is a central part to the Pact.

21. There are compelling reasons why the stimulus measures taken by governments, already credited with having saved some 21 million jobs, need to be maintained notwithstanding the levels of public indebtedness that they and the financial bailouts have generated in some countries until the recovery has become strong and self-sustaining. Rebalancing public accounts depends above all on a return to revenue-generating growth and high employment. Withdrawing the stimulus now would be tantamount to cutting off the life support mechanisms of a critically ill patient. It would be likely to throw the world back into a "double-dip" recession. This is not an occasion for that type of risk-taking.

22. But because resources are at a premium, and because job creation must be the absolute priority, it is essential that stimulus packages are consciously designed to maximise their employment intensity. That has not always been the case so far. Accepting that there will be no optimal "one size fits all" solution for all countries, this jobs imperative underlines the importance of trade unions having a role in the formulation and delivery of stimulus measures, and that they keep their eyes firmly on the employment objective.

## **A Return to Equity and Labour Market Justice**

23. Just as happened in the lead up to the 1929 Crash and the Great Depression that followed it, today's crisis was preceded by a massive and sustained increase in inequality in and between practically all societies. And it is no coincidence that the impact of the crisis has been strongest precisely where this concentration of wealth and income has been greatest. It is remarkable, and an indictment both of the abdication of governmental responsibilities and the failure of progressive politics and opinion that this trend has lasted so long and gone so far without being checked.

24. This slide into injustice was ushered in under the post-Cold War dominance of free market fundamentalism and the prevailing view that there was no alternative to a process of globalisation fuelled by liberalisation and deregulation. That stifled the construction of alternatives and equally meant that the primary causes of growing inequality and their worst manifestations are now to be found in labour markets. And that means too that it is in and through the world of work that the fight against injustice must begin.

25. For women workers, and for those who rely in whole or in part on their income, gender discrimination at work increases inequality even further. The gender pay gap remains at least 17% worldwide with no evident trend towards it narrowing. That reflects a massive confiscation of women's earnings which is growing as their participation in the labour market increases, and it comes on top of the many other elements of disadvantage with which they must contend.

26. A strong body of opinion sees the growth of inequality as a largely inevitable by-product of globalisation. The massive increase of the labour supply in the globalised economy resulting from the entry of China, the increasing participation of India and the end of the East-West divide in Europe has radically altered the labour-capital ratio to the disadvantage of working people. At the same time the mobility of capital resulting from liberalisation and technological innovation enables it to relocate jobs and production to take advantage of wage differentials. To those who object to this downward spiral of destructive competition, the response is that whatever pain it may cause to some workers it is in fact a liberating opportunity for millions of others, particularly in the developing world. Opposing it is presented as a selfish protectionist reflex by the already privileged to the detriment of the aspiring poor and an anachronistic barricade in the path of market-driven progress.

27. Trade unions are able to counter these ideas, firstly by pointing to the damage done by the politics of inequality and their overall record of failure in making real inroads into global poverty or sparking sustained and balanced development, notwithstanding the poster children of China and India with their undeniably spectacular growth performances. Yet unions remain some distance from definitively winning the argument. The twin objections of inevitability and of the supposed egoism of opposition still need to be overcome. Doing so is going to require vigorous new attacks on some of the foundations of injustice – starting with achieving universal respect of human rights at work.

28. It has become a commonplace that very widespread denial of fundamental worker rights and the absence of effective redress when they are violated are at the core of the problems of globalisation. Despite progress won – notably the 1998 ILO Declaration of Fundamental Principles and Rights at Work which both defines those rights and embodies universal commitment to upholding them – the fact remains that even egregious and systematic repression of workers' rights can and does pass without any remedy. The fact that the country which has become the world's largest exporter makes it a matter of state policy to ensure that the right to organise freely and to bargain collectively cannot be practiced is testimony to the scale of the abuse – and its consequences.

29. Initial international trade union responses to this situation focused – not without controversy – on attempts to link trade access with respect for workers' rights. That was particularly so at the time of the establishment of the World Trade Organisation and during its early years of operation. But as the WTO quickly put up protective walls around its narrow conception of its own mandate to exclude consideration of all trade related social issues, including from the ongoing Doha Round of negotiations, attention turned from the multilateral to the bilateral and regional trade agenda – with some positive results. Nevertheless, as the Doha Round drags on to its uncertain conclusion, and the further it departs from its "development" label, the more it becomes necessary to insist that it does culminate in a clear decision to place labour issues – and rights in particular – at the centre of what comes after it.

30. Trade-related activity is one part of the ITUC's existing strategy to promote universal respect of fundamental rights at work and deserves attention because it can help achieve change in the direction of globalisation emerging from the crisis. But much more is being done on a permanent basis in addressing national situations, particularly those where rights are under immediate and sometimes brutal attack. Such work is a centre piece of the ITUC's overall programme of activities and addresses each category of fundamental rights. Critical as the fight against discrimination, child labour and forced labour certainly is, the struggle to secure the right to organise and the effective exercise of collective bargaining rights acquires enormous significance in current circumstances.

31. Collective bargaining has a proven record as a powerful mechanism for the fair sharing of the fruits of economic activity. Where it is well established, it generates equity at work and in income distribution. Where it is weak or absent, the result is generally a lack of fairness at work and in society and high concentrations of wealth and income coexisting with significant deprivation. The widespread erosion of bargaining coverage in recent decades has done enormous damage to social cohesion and the cause of social justice. It has also done much to facilitate the advent of the crisis and to obstruct recovery from it. That is because collective bargaining puts money in the pockets of working people which translates into effective demand and stimulates economic activity. Its absence is a drag on sustained growth and fires the temptation of excessive personal debt.

32. The question is not about the need to extend collective bargaining, but about how to do it when powerful interests – those in the minority on the privileged side of the divide which is polarizing societies – are seeking to weaken it further. Many employers make no secret of their intent to avoid or to destroy collective bargaining with their employees as a straightforward matter of self-interest. Others cite the handicap that negotiated working conditions may impose on them in conditions of heightened global competition, or make reference to the alleged moral superiority of individual employee relationships.

33. Two complementary courses of action need to be pursued. The first relates to the responsibilities of government. In today's environment even a position of neutrality from the authorities might appear welcome; but in fact state responsibility goes much beyond that, with ILO Convention 98 requiring a policy of promotion of collective bargaining and the 1998 Declaration committing member states to ensure the effective realisation in practice of that right. Although it receives much less attention than policy shortcomings in areas which are more visible or more likely to stir public outcry, the fact is that government behaviour rarely lives up to these criteria. Many, instead, in their concern to be business and investment friendly, seem more inclined to acquiesce in the decline in bargaining practices as being somehow consistent with their notions of modernity and of national interest. So, there is real need for trade unionism to harness the current mood for change to have governments acknowledge that their failure to meet their obligations on collective bargaining is among the serious errors that produced the crisis, and to have them act to correct it.

34. That would provide a greatly improved and enabling environment for unions to tackle their second and permanent challenge – that of winning bargaining recognition and facilities from individual employers. National circumstances will require different approaches and, very often, sufficient realism to accept that the only effective strategies will be those based upon the application by unions of sufficient pressure on their targets. But for the ITUC and its affiliates, this challenge poses three clear questions: what must be done to make extension of bargaining a genuine priority; how can national centres contribute most appropriately and effectively to that objective; and what is the international dimension to this agenda?

35. The last of these places renewed focus on the need, well-reflected in the ITUC funding programme of action, to develop an international organising and bargaining agenda, not as an idea but as a practical instrument. To date the recognition of the potential of such an agenda has outstripped a clear definition of what it would actually consist of, and its implementation. Given the lead role of the Global Union Federations in dealing with employers internationally, the Council of Global Unions, established shortly after the founding of the ITUC as an instrument for a structural partnership with and between them, with its own strong emphasis on organising and bargaining is strategically placed to move that agenda forward, particularly when it comes to negotiating global framework agreements with multinational companies. At the same time the ITUC has enabled co-

ordination of trade union positions with regard to the broader issues of corporate social responsibility and at international bodies such as the Global Compact and the International Organisation for Standardisation (ISO).

36. Alongside rights' violations, a second long-term trend in labour markets stands as a toxic source of injustice and inequality – that of the continuing move towards precarity and informalisation.

37. These terms in fact cover a number of different but mutually-reinforcing processes – use of fixed-term contracts, outsourcing, sub-contracting, agency placement – which together with the growth of informal activity undertaken beyond the scope of the protection of labour legislation and of outright clandestine work have combined to make the world of work an insecure, threatening and inhospitable place for many millions.

38. Although the process has sometimes been imperceptible, the distance travelled from the possibly idealised past standard of secure, full-time, permanent employment is enormous. From the early, now distant, mantra that nobody could any longer expect to remain in the same job for the whole of a working life in times of quickening change, the situation is now one in which the ILO estimates that as recalled in paragraph 17 a narrow majority of the global workforce is now in vulnerable work of one form or another. Part of that degradation has been the result of a concerted attack on the employment relationship on which many labour benefits and social protections depend, and their replacement by relations of a purely commercial nature.

39. These processes may be complex, and the issues at stake sometimes obscure, but their implications for trade union organisations, for working and living conditions, and for social cohesion are all too clear and too frequently devastating. Being trapped in informal activity, or in an unpredictable cycle of insecure jobs, is for many a one-way ticket to long-term social exclusion, with the young and women particular victims. The spectacular and tragic loss of jobs in the current crisis has been made worse by the way that employers have been able to offload their precarious workforce with a minimum of cost or delay, circumstances which made dismissal a first, rather than a last resort.

40. As in the case of the fight for rights at work, trade unions can have no illusions about the urgency or magnitude of the challenge of precarity and informality at work but need to step up their strategies to reverse long term trends which can take on the appearance of inevitability and which are defended by those who benefit from them as necessary and beneficial. Some progress has been made in overcoming the argument, once prevalent, that informality needed to be encouraged as a dynamic source of work and livelihoods with an important contribution to make to reducing poverty and kick starting development. Instead, informality has been identified as a road block on the development path. The agenda today is directed towards formalisation of work, and for trade unions, organisation of the still informal workforce. But the task remains massive.

41. The dynamics of the other sources of precarity and vulnerability at work are different precisely because the degradation of work continues to be welcomed and encouraged by those who draw benefit from it – employers in particular – because they give them the competitive advantages of flexible labour markets and workforces. Governments vary in their attachment to national labour market arrangements that can put a brake on decline but on the whole remain committed to the type of agenda of de-regulation that perpetuates it. Refusal to take a decisive change of direction was evident in the failure of the Workers' Group to win enough support for the adoption of an ILO Convention on contract labour, a setback which nevertheless did lead to adoption of the non-binding Employment Relationship Recommendation in 2006.

42. Belatedly, the crisis provides another opportunity for decisive action to reverse the rising tide of precarity as a central plank of a post-crisis agenda for labour market justice. Unions will certainly need to persist in their resistance to encroachments on established employment protections and win back ground where they can. But qualitative, transformational change will require governments individually and collectively to take up again the cause of equity and fairness at work that many let go decades ago.

## **Closing the Casino**

43. The financial meltdown of 2008-2009, with utter catastrophe averted only by massive, and massively expensive, state intervention to save institutions whose greed, incompetence and recklessness had brought on the collapse made its own apparently unanswerable case for far-reaching reform and regulation of financial markets and actors. Indeed public acceptance of the vast expenditure of taxpayers' money on bailouts was based not only on the idea that the institutions thus saved would be held responsible for the repayment of those funds but also that they should be stopped from reverting to their old ways. Closing down the casino was part of the deal.

44. Before the crisis broke the international trade union movement had long been vocal, and lonely, in its denunciation of the manner in which the "financial economy" had come to dominate "the real economy". The problem went beyond even the systemic danger that unregulated and uncontrolled behaviour in the financial sector involving enormous volumes of funds posed to the futures of millions of people who had no part in, and drew no benefit from it and which in the sub-prime markets of the US finally lit the powder trail to the financial crisis. In addition, through the operations of private equity and hedge fund operators in particular, a process of "financialisation" of enterprises and of enterprise behaviour increasingly set in, putting further pressure on the labour market conditions of many working people. Praised by some as healthy shock therapy with the potential to turn around moribund or failing companies, the more frequent experience was that such financialisation, driven by the idea of the enterprise as no more than a bundle of financial assets from which the highest possible return should be extracted in the shortest possible time, was destructive of jobs, corrosive to good industrial relations and working conditions, and a danger to the long term future of otherwise viable concerns. In short it marked the subjugation of the real economy, and real needs of people to a financial economy serving speculative interests to the detriment of all others.

45. The crisis brought with it a violent popular reaction against the casino-style nexus of private equity, speculation, leveraged buy-outs, short-term share value maximisation and its accompanying culture of multi-million dollar bonuses and disregard for any considerations of equity or decency.

Political leaders who had done a great deal to encourage them were particularly strenuous in their condemnation. This, together with the climate of public opinion surrounding the cost of the bail-outs, produced a powerful dynamic for regulation which formed the core of the original agenda of the G-20 at its first Washington Summit in November 2008. This remains to the fore of the international policy agenda, and the ITUC with TUAC has pressed its detailed proposals for what needs to be done. But developments give cause for real concern in at least two regards.

46. Firstly, the process of regulation has been delegated by the G-20 to the IMF and by it to the newly expanded Financial Stability Board. For a long time the FSB did not respond positively to requests for consultation with trade unions. Composed of central bank and finance ministry representatives, and operating with a near total lack of transparency, its mandate could easily be likened to charging those with heavy responsibility for the current mess with designing the measures to get out of it and prevent it happening again, free of the inconvenience of public oversight.

47. It is not a scenario that inspires confidence, and it is made worse by evidence of waning political consensus and will in favour of decisive action. Partly that comes from divergent national interests. More importantly, though, it is a result of the ever stronger push back from the financial community itself. Having been saved from extinction by government, key financial actors, with the renewed confidence that has come from greater market stability and their rapid return to fat profits, are trying to trash the regulatory agenda and are aggressively reasserting their right not to be constrained by government. Familiar arguments are being rolled out once again about the dangers of over-regulation, of obstructing finance's role of lubricating the wheels of the economy and of the encroachment of big government. They are not convincing. But because of the power of the interests making them, they have influence beyond their intrinsic merits on increasingly hesitant, irresolute and divided government opinion.

48. In their continuing work to press home the case for financial market reform and to prevent the renewal of finance's ascendancy over the real economy, trade unions will probably be able to count on the continuing excesses of those they have to oppose. The court of public opinion as well as the criminal courts will judge them. Fleeting moments of public contrition have given way to a return of habitual arrogance, and to the self-award of massive bonuses. At a time when working people continue to face enormous hardships, it is a display of disdain by those who believe themselves too big to fail towards those they consider too small to matter. The profits now being recorded and which have in some cases allowed the early reimbursement of public bailout funds are the consequence of the availability to banks of cheap government money that they then lent on at high rates of interest in conditions of pervasive credit scarcity. In these circumstances, public attitudes remain strongly critical and the window of opportunity very much open.

49. It is in these still favourable conditions that the ITUC continues to campaign strongly for the introduction of an international tax on financial transactions. Resolutely opposed by the financial interests lobby, such a tax would have the double advantage of placing a reasonable burden of the costs of the crisis on those responsible for causing it and well able to bear it while at the same time generating resources on a scale needed for eventual fiscal consolidation as well as for meeting existing or coming global resource commitments, notably in respect of the UN millennium development goals and of the fight against climate change.

50. Contrary to the claims of its detractors, a financial transaction tax is workable; it is just; and it is necessary; and it has clear advantages over the competing options of bank levies or insurance policies. Following decades during which corporate tax rates have been competed down to historic minima, and flat tax systems at the cutting edge of regressive fiscal practice, and with the danger of exit strategies deepening the already dramatic distributive crisis still further, the moment has come for the transactions tax to become the centrepiece of a necessary and urgent return to fair and progressive fiscal policies.

## Going Green

51. The crisis broke at a time when the world was coming to terms with the need for urgent and far-reaching action to counter climate change. It is true that this is referred to in the ITUC's founding Programme of Action – but only in one short sentence in paragraph 16 of a 55 paragraph document calling for an end to unsustainable consumption practices and implementation of the Kyoto Protocol. It is testimony to the manner in which the scientific and personally-experienced evidence of the reality of climate change, and the recognition of the dramatic and potentially catastrophic consequences of failure to act against it, have radically transformed the policy agenda that the issue now stands amongst the ITUC's top priorities. Over 400 trade union representatives went to Copenhagen for the UN Climate Change Conference in December 2009.

52. As climate change has rapidly assumed such importance, so the trade union agenda has evolved with equal pace. The process has not always been easy. It began as a minority concern, easily ignored by the mainstream of the movement, and then became an object of the defensive scepticism that marked a reluctance even to endorse the 1997 Kyoto Protocol by unions inhibited by the belief that they were called upon to choose between protection of the environment and their members' jobs. But by 2002 the Johannesburg Summit on Sustainable Development marked a breakthrough in thinking with its identification of the three pillars – economic, social, and environmental – of sustainable development.

53. That definition opened the way for sharper focus on how social and employment policies needed to be factored into the fight against climate change, finding expression in the ITUC's key demand at Copenhagen for a "just transition" to a low carbon economy which would integrate the decent work agenda and the rights and interests of working people. Just transition has been crucial in winning the support of organised labour for the carbon emission reductions targets advocated by authoritative scientific opinion. But that support depends still on making a reality of just transition. After the failure of the Copenhagen Conference, and with the continuing economic and jobs crisis, major obstacles remain to be overcome on the road to climate security.

54. Obviously, Copenhagen did not fail simply because of these immediate labour concerns, but rather over a much broader absence of consensus

over the respective responsibilities of the industrialised countries and of developing ones, who was to put up the required levels of finance for adaptation and mitigation measures, and how it should be used. As the multilateral system once more demonstrated its inability to produce the results required of it, and with the crisis as a convenient alibi for some, the prospects for a deal at the 2010 Climate Conference in Mexico are already being talked down. The pre-Copenhagen warnings that a global agreement on climate change was essential for our common future and that the longer action was delayed the more costly and painful it would become have given way to a fatalistic acceptance that it is simply not attainable. This is as bad for trade unionism as it is for everybody else.

55. The coming months will see a renewal of ITUC work to promote an ambitious climate change agreement with just transition at its heart. From that point begins the perhaps more arduous task of making that transition happen. That will require epoch-making transformation of the world's productive system on a scale with that triggered by the steam engine and the internal combustion engine or the more recent revolution in information technologies. There is no purpose in understating the scale of change, nor the dislocation it will bring – except to say that it will be greater still if nothing is done. But it does need to be stressed, and understood, that moving to a sustainable low-carbon future offers major new employment opportunities which can outweigh the job losses that will be suffered. This positive job effect is no convenient truth which will happen automatically; it will require very large scale state intervention, investment, and support and the full involvement of the social partners, things which had little or no place in the outgoing orthodoxies but must become a staple of those that replace them.

56. As the ITUC and its affiliates continue the job of urging governments to a satisfactory agreement, they must equally look to the task of working with their own membership. While climate change has passed from being the concern of a few to being a truly universal trade union issue, there is no denying that the consensus position achieved in the ITUC is fragile. Organisations which represent sectors that are likely to shrink as a result of an agreement need to believe that just transition is more than an intellectual construct; that new and decent jobs will be created and that they are not being asked to resign themselves to a future of sustained unemployment and reduced living standards. For that to happen, the "Green Jobs Agenda" supported by the ITUC needs to acquire greater detail, more rigour and real political commitment.

57. Far from detracting from the chances of this, the crisis actually provides real, immediate, and significant opportunity to make it happen. That is because internationally coordinated government intervention to stimulate jobs and growth is already recognised as a necessary policy response. It must not be cut short, and it can and must contribute to the launching of a new trajectory for economic growth which is green and offers prospects of decent work not only for the current generation but also for those yet to come.

### **Sharing the Gains: A New Agenda for Development**

58. The case for a new development agenda does not rest on green considerations only. The experience of the neo-liberal model – which for many developing nations has been dominant for at least half of their existence as independent nations – is that it has deprived them of the chance of real and freely-chosen development opportunities and made impossible their accession to the levels of industrialisation, prosperity, and welfare that characterise the richest economies – even when in crisis. Indeed the levels of poverty, informality, disease, and desperation present in too many of the countries of the south meant that there was truly a "crisis before the crisis" – even if many policy-makers and much of public opinion found it convenient and possible to largely ignore it.

59. With some well-published exceptions, the high levels of sustained growth generated by the globalised economy and much vaunted by defenders of the past model did not move it decisively onto a path of broadly-based, inclusive and balanced development, capable of eliminating extreme poverty and doing away with the most noxious manifestations of human misery. Instead, as was most often happening within industrialised countries, concentrations of great wealth and prosperity did appear but were generally confined to a small minority of the population, while multinational companies operating in the developing world have been able to extract vast wealth with limited returns either in terms of taxation or through decent, well-paid jobs.

60. The advice offered to countries suffering from blocked development was to cut loose of the myopic policies of the past and open up to the opportunities of the global economy, and sometimes that was the policy line imposed on them. China had done it – and India too with remarkable results – so why not them too? Such were the morality lessons given to much of the developing world. They have proven misguided, and acutely harmful. The track record of globalisation in respect of development has been unimpressive at best, and tragic at worst, most especially for women, whose situation compared to men has failed to improve and who bear the heaviest economic, social and physical burdens of poverty.

61. Diagnosing the roots of development failure is a complex process and can be polemical too. Developing countries generally point to the failure of the rich to deliver on their commitments to the promotion of development and to the inequities of the globalisation system that the industrialised world generally defends and from which it profits. For their part, the rich countries denounce the failures of governance and democratic process which they see as a key cause of blocked development and the way entrenched elites themselves insulated from the overall effects of development failures reject change. The resultant deadlock and recriminations have done much to damage the workings of the multilateral system and little to advance the cause of development – with other major international trade union objectives caught up as collateral damage.

62. From the sterility of these polemics, it is not difficult to extract three basic conclusions as a basis for a new development agenda: that there are defects in the current parameters of globalisation which need to be corrected if the global economy is to offer genuine perspectives for balanced, sustainable development; that the developing countries – like all others – do need to meet internationally recognised standards of democracy, governance and respect of human rights; and that as a consequence of these two considerations, both groups need to dedicate themselves seriously to a common agenda and forgo the temptations of mutual recrimination as a substitute for responsible action.

63. The challenge of making globalisation pro-development has already been taken on – nominally at least. The World Trade Organisation has, after all, labelled its unfinished Doha Round as “a development round”. The Bretton Woods twins have ditched past, failed orientations too in favour of a targeted offensive against poverty. And the multilateral system as a whole, together with the individual governments which make it up, have committed to the achievement of the UN Millennium Development Goals by 2015, and engaged in a more than usually serious review of development aid effectiveness.

64. At face value, all of this is welcome. But trade unions need to judge not by the label but by the substance of those policies. And on that criterion they have been found badly wanting. The state of play in the Doha Round leaves little space for optimism that its eventual outcome would be pro-development. The international financial institutions still have much to do to throw off their legacy as agents of imposed austerity and socially destructive structural adjustment. And it seems inevitable that many of the MDGs will remain unmet.

65. In each case, these failures need to be exposed and alternatives proposed, and the views of the ITUC have been forcibly expressed in this regard. But there is need to recognise also that the basic policy orientations of the organisations in question are set and remain constrained too often by the assumptions of the entrenched orthodoxies of market fundamentalism. Within those parameters, the invention of a new vocabulary to make policies more palatable to public opinion is more likely to have the characteristics of an innovative marketing strategy than of a truly improved product. So, the WTO has to finally break out from its refusal to countenance any effective consideration of the social implications of trade liberalisation; the Bank and the Fund need radically different approaches to their conditionality policies; and the UN as a whole needs to win support for an agenda which is faithful to the ambitions set when the MDG's were adopted.

66. The responsibilities of developing countries themselves are indeed considerable. They legitimately claim the policy space they need to pursue the development paths that they chose. They have an equally legitimate claim on the development assistance of rich nations, at least in line with accepted international commitments. None of this dispenses them from the obligation to respect the universal fundamentals of democracy, human rights, and indeed of international labour standards. These are not externally imposed conditionalities, but basic responsibilities of all nations – above all, to their own people. It is fair in this regard to acknowledge that not all failures of governance are wilful. Where government institutions and authority are weak, genuine problems of capacity will arise along a spectrum culminating in the tragic and dangerous extremes of the world's increasing number of failed states. In this light, sustained assistance in the consolidation and strengthening of state capacities appears a more useful international contribution to development than tendentious and selective efforts to “export democracy” through regime change.

67. Even with confidence in the effective use of resources, there is a clear danger that the massive call on funds brought about by the crisis and policies to beat it will squeeze development aid budgets severely and lead many industrialised country donors to fall even further short of the 0.7 % of GDP development assistance target fixed by the UN. Indeed, recent experience shows that the politics of the crisis make it difficult not to place domestic priorities before those of development. But the effort must be made. One reason is that it is in the countries of the developing world – the so-called innocent bystanders of a global crisis incubated in the sophisticated financial markets of the North – that its most acute consequences are being played out in the midst of resurgent extreme poverty. Another is that the developed world has everything to gain from successful and sustained development processes, not least through the role they can play in pulling the world clear of recession.

68. There are many points of the development agenda where the imperatives of solidarity and the logic of enlightened self-interest coincide. They are well illustrated by the example of migration. Accepting unambiguously the need for, and positive contribution of, migration for employment in the globalised economy does not detract from the proposition that it should be undertaken voluntarily, legally and within an orderly institutional framework. That that is very frequently not the case today is largely attributable to the development linked failure to generate enough decent work opportunities in countries of origin which has generated migration pressures and flows that surpass even the considerable needs of potential receiving economies and their will and capacity to protect the rights and interests of those concerned. Clearly more has to be done to have migration take place in acceptable conditions. But the chances of that being achieved will be vastly – perhaps decisively – increased by development processes which offer real alternatives to that of forced departure to seek a future outside one's own country.

## **Governance – At Last?**

69. Perhaps the greatest long-term tragedy of today's crisis would be that it did not lead to the type of transformational change that previous crises of a comparable scale generally have in the past. If so, it would be to the detriment of working people everywhere and the future prospects of our societies and the globalised economy that binds them.

70. But one area where decisive change has already become evident, and looks set to endure is in the power relations that condition the direction and governance of globalisation. Most visibly, the G-20 has rapidly become the predominant international body for economic and social policy-making. It has elbowed aside the formal multilateralism of the UN on the one hand, and the longstanding and exclusive G-8 club of the richest countries on the other, to occupy centre stage in the international community's response to crisis.

71. Obvious objections can be raised concerning the legitimacy and representativeness of the G-20 – a self-selected group with no democratic mandate beyond that coming from the countries that compose it. Those objections are recognised by the ITUC which nevertheless took an early decision – borne out by events – to engage vigorously with it in order to influence key decisions. But if the G-20 is to become permanent, it will certainly need to develop links and interactions with countries outside its own membership and with the multilateral organisations. How that would work in practice remains unclear at this juncture.

72. What, by contrast, is crystal clear is that the G-20 has marked a decisive and historic shift in the tectonic plates of geopolitical relations. The

influence of Russia, Brazil, India and South Africa in the international system has been growing steadily over the past decade or more, and their G-20 roles can be seen as a natural culmination of that process. But it is the leadership role taken up by China which is the most spectacular and significant innovation.

73. China's rise to economic superpower status has been a central feature of the process of accelerating globalisation since its decision to break its isolation from the rest of the world at the end of the 1970's. But what is new is that it has apparently decided to match that economic preponderance by taking up a corresponding and clear leadership role in the G-20. So evident is that decision that some observers interpret it as having created a G-2 (the US and China) with decisive influence inside the G-20 and as having brought a definitive end to the US-led monopolar power relations of the post-Cold War era. If so, the G-2 relationship is given particular spice by the fact that its two component states stand as archetypes and opposites in the massive structural imbalances in the world economy which the G-20 has already resolved to seek to unwind.

74. China's assumption of leadership in the G-20, together with its strategic approach to the deployment of its vast financial resource holdings and its great political leverage, is likely to require the same level of attention that the ITUC and its affiliates have previously given to developments in its domestic economic and political affairs. Having always projected its self-image as an ally of developing countries, its rapidly expanded presence on the African continent has already attracted particular attention. Its readiness to invest resources on a grand scale without constraining conditions has been welcomed by many African governments. But others see less positive aspects; a disregard for the rights and interests of workers; the possible seeds of a future debt crisis; and even a return to the power politics of the Cold War with development and investment policies coming to be dictated more by strategic interest than the real needs of the countries concerned.

75. As these developments play out, the ITUC's constitutional attachment to the practice of multilateralism through the UN, its specialised agencies, and related organisations means that it must be alert to any danger of them being undermined by the plurilateralism of the G-20. The ITUC will not be helped in this by the underperformance of the system in recent years. That was underlined by the end-game in Copenhagen where it took a hurried coming together of five countries – significantly the US, China, Brazil, India and South Africa – to rescue something from the wider failure of the negotiating process. It is evidenced by the increasing resort to individually concluded bilateral and regional trade deals as the WTO appears unable to advance out of the mire of the Doha Round. And the fact that the G-20 had to be put together quickly to provide an effective response to the crisis was hardly a vote of confidence in the UN and its capacities.

76. But underlying these problems there are other more positive indications for the future of multilateralism and the prospects for renewed interest in effective governance of the global economy. Most obviously for trade unions the fact that the ILO has found a central role in the G-20 is important and encouraging. It reflects the long-term progress in winning recognition of the importance of decent work in the international agenda and the more recent success in having labour issues made central in the fight against the crisis.

77. Meanwhile, two other institutions which have been the object of strong trade union criticism over the years have undergone contrasting experiences. The WTO has moved far away from the focus of attention it once had, and its capacity to significantly advance the multilateral agenda of trade liberalisation has been called into question as the Doha Round drags on. In contrast to previous ones, its latest Ministerial Conference, last November, passed off with a minimum of media and political interest. Nevertheless, and even if it's not able to move forward in the near term, the WTO continues to preside over a formidable rules based trade system subject to disputes resolution procedures carrying the power of sanction.

78. By contrast, in the period before the crisis, the IMF appeared destined to marginalisation and decline. Its loans portfolio had shrunk, and it was in the process of shedding staff. The subsequent turnaround in its fortunes could hardly have been more spectacular. It has been charged with key tasks by the G-20, particularly in respect of financial market regulation and setting a new growth framework and is again engaged in high-profile rescue operations in an increasing number of countries. History would indicate that this come-back should not induce rejoicing within trade union ranks. The IMF has a track record of anti-worker, anti-poor policy prescriptions and a lack of understanding of fundamental trade union concerns.

79. Nevertheless there have been clear signs of change in the IMF, whose Managing Director has acknowledged the unhelpful legacy of its past, talks publicly of the "new" IMF, and was in the lead in advocating massive fiscal stimulus to counter the unfurling crisis. It remains to be seen if these types of development will be sufficient to break with the still strong ideological attachments in the Fund to the orthodoxies of the past.

80. Important though they may be when considered individually, the dynamics of each individual institution only acquire their full significance in the context of the overall prospects for a real political commitment to take on seriously the challenge of effective governance of the global economy. The height of the crisis saw far-reaching statements about the need for such governance from many political leaders. How else could the danger of a new crisis be averted? How else could the necessary fairness and sustainability be injected into the workings of globalisation?

81. But what this has generated, in concrete terms is not much and getting less. There has been the proposal, championed by the German Chancellor in particular for adoption of a Charter for Sustainable Economic Activity. It remains under consideration in the G-20, but is clearly facing powerful opposition. In addition, the Pittsburgh G-20 Summit decided on a Global Framework for Strong, Sustainable and Balanced Development. It gave the IMF a leading role in its implementation but made clear that the framework should take in labour questions, and that means that the ILO must take up its proper place too. With the future prospects for the Charter and the Framework uncertain, the ITUC will need to maintain its insistence that one of the lessons that must be drawn from the crisis is that the deficit in governance of globalisation must be closed and that the different international organisations need to work together better to provide the necessary coherence. Recoiling from that responsibility is to invite repetition of the events of the last two years.

## Peace

82. Although it has not figured prominently in discussion of the crisis and responses to it, the cause of world peace is directly impacted by the insecurity and instability that it has brought about. The ILO Constitution states that "universal and lasting peace can be established only if it is based upon social justice". Today the world is not just and it is not at peace. In addition to the major conflicts in Iraq, Afghanistan and the Middle East which regularly capture the headlines, there are no less than twenty conflicts taking place around the world, many of them inflicting a terrible toll of human lives and suffering. In such cases trade unionists are often to the fore in conflict avoidance and resolution. But their activities can put them in harm's way and lead them to be targeted by one or even both sides.

83. It has gone mostly unnoticed that military spending in the post-Cold War era has been unaffected by the economic crisis. More than \$ 1.4 trillion – about 2.5% of world production – is spent each year on arms and the military, and the figure is rising. This represents a massive diversion of resources which need to be allocated to socially useful purposes – job creation and public services first among them. Nor, despite welcome recent developments in nuclear disarmament negotiations, and with the UN Conference on Nuclear Proliferation taking place shortly before Congress, is the world free of weapons of mass destruction, or the danger of their use reduced.

84. In these circumstances, it is proper that Congress be the occasion for the ITUC to re-emphasise its commitment to peace, to disarmament and to the reduction of military budgets and the redirection of resources to socially useful purposes. Those commitments have marked trade unionism from its beginnings. They have not diminished with time, nor have they lost in topicality.

## PART II ...TO GLOBAL JUSTICE

85. It is important for the international trade union movement to have a vision for how it wants to change the globalised economy so that it is fair for working people. But it is not enough. Because without the means to bring about that change, the vision will count for little. The movement must win arguments, win allies to its cause, and above all develop its own strength and effectiveness.

86. The founding of the ITUC was a conscious response to that imperative, with the Vienna Congress making a solemn commitment to make the ITUC the instrument for a new trade union internationalism, and to give effective representation to working people wherever they work. Four years later, this Vancouver Congress needs to make a hard-headed assessment of the progress made in the first years of the ITUC's existence, so that it can build on the things that have worked, correct those that have not, and add what was overlooked.

87. No doubt, the ITUC benefited initially from the impetus and enthusiasm generated from the act of unification itself. But that could not be expected to last long. The challenge of a truly sustained and sustainable process of strengthening trade union internationalism, and of showing that the added value of the ITUC would not lie in the addition of numbers alone but in qualitative improvement too, was taken up by the General Council in June 2007 when it adopted six "Propositions for the Building for a New Trade Union Internationalism" and charged the Secretariat with their implementation. They concern:

- Better Cooperation between the Different Organisations of the International Trade Union Movement
- Mobilising Membership on Key International Issues
- Mainstreaming International Activities in National Trade Union Life
- Capacity Building through Development Cooperation and Education
- Effective Delivery of Solidarity
- Working with Political and Civil Society Allies

Each of these has been the object of extensive activity but like the ITUC itself remain work in progress, and Congress will wish to give them further attention.

## Our Common House

88. The world-level unification that took place in Vienna in November 2006 was followed by the successful establishment of the ITUC Regional Organisations with the founding of the ITUC-Asia Pacific in September 2007, ITUC-Africa in November 2007, and ITUC-TUCA in March 2008, as well as of the Pan European Regional Council, PERC in March 2007. An extensive process of consolidation at the sectoral level – qualitatively different from regional unification because it involves autonomous federations – has also advanced in an encouraging way. As a result, through its constitutionally defined relationship with the Global Union Federations, the ITUC cooperates closely with highly representative sectoral organisations. Those others which have rejected sectoral unification and stayed outside the GUFs are not significant.

89. With the process of structural unification complete, the ITUC has grown from an original membership of 168 million, in 304 affiliated organisations in 153 countries to membership of 176 million, in 312 affiliates and 155 countries as it goes to Congress. Yet, this has not generated

increased affiliation fee income. On the contrary, budgeted affiliation fee income rose from Euro 10.9 million in 2007 to only Euro 11.1 million in 2010. In the same period, the cost of living index upon which ITUC headquarters depends rose by six percentage points with the result that a significant internal reorganisation was needed in 2009 to balance the accounts. The decisions that Congress takes on affiliation fees will be a major determinant of future ITUC capacities and prospects.

90. At the foundation of the ITUC, there was concern in some quarters that unification at the international level would require unification at national level and that such a process would somehow be imposed on affiliates. In line with the assurances then given, this has not happened. Where national level unification has occurred, as in Pakistan, Nepal and Liberia, it has been freely pursued by the organisations concerned. Where the ITUC has served as an inspiration or facilitator it has been happy to do so, and where further cases are under consideration it should stand ready to assist. But there has been no question of pressurising affiliates. The one instance in which a more pro-active approach has been adopted is in respect of a number of francophone African countries where fragmentation of the trade union movement has seriously weakened it and where initiatives to overcome that have been welcomed.

91. Less visible than these examples, but much more widespread, and to date more significant, has been the tendency for common membership of the ITUC to promote improved dialogue, understanding and cooperation between affiliates in the same country. That has not removed the divergences and occasional tensions which are the normal currency of trade union pluralism, but it has not infrequently had a positive impact on relations between affiliates.

92. Whatever significance can be attached to these “external” consequences of unification, the key “internal” issues stem from affiliates’ experience of life in the ITUC. The fact that no national centre opposed unification in principle by renouncing international affiliation, and that since then there appears to be no sentiment that unification was a mistake, or nostalgia for the pre-2006 situation, is persuasive evidence of a minimum achievement – doing no harm. But drawing conclusions beyond this requires a closer – and inevitably more subjective – assessment of reactions to the last four years.

93. In this regard, the obvious and real boost from membership of a bigger and higher profile international needs to be weighed against at least two potential negative effects. The first could be a feeling of loss of belonging or of proximity resulting from the move to a larger organisation with a corresponding erosion of standing and personal relations. A large number of affiliates cannot be represented in the ITUC’s governing structures and might conclude that they have insufficient influence on policy-making or over the direction that the Confederation is taking, which might contrast with previous experience. The second could be a consequence of more substantive divergence of principle; from the sensation that the ITUC does not reflect or represent the type, or tradition of trade unionism to which an organisation is attached and that, as a consequence, something important has been irrevocably lost.

94. Both concerns need to be taken seriously, especially the first, with some affiliates expressing frustration that the ITUC is too remote or not responsive enough to their opinions and needs. One view is that this reflects an inevitable consequence of scale; large organisations are inherently more impersonal and resource constraints mean that the ITUC cannot always be with affiliates as much as they would want. However, there is real need – and a responsibility for the ITUC’s Secretariat and for decision-making bodies – to be aware and respectful of the demands and concerns of all affiliates and as effective in reacting to them as possible. In this regard, the role of the Regional Organisations, which are the natural first and nearest point of contact between the ITUC and its affiliates, assumes great importance. Their responsibility is to be in permanent contact with all affiliates and to be active in conveying their experiences, opinions, and needs to the world level.

95. The second concern, much in evidence in the discussions that led to unification, has not caused the type of difficulty or division which could weaken the ITUC or threaten its longer term viability. Affiliates have accepted the unitary and pluralist nature of the Confederation which has proved its capacity to reconcile differing perspectives and traditions without a debilitating loss of focus or substance in the elaboration and implementation of policy. Indeed there have been no significant policy divisions along the lines of affiliation, or non-affiliation, to preceding organisations, nor has there been any damaging tendency to organise on the basis of faction. Affiliates’ first duty of solidarity – to each other – has been carried out, and the ITUC is stronger for it. It will be further reinforced by strict application by Congress of the constitutional principle that the composition of its elected governing bodies respect its pluralist character.

## **The ITUC and the Others**

96. The ITUC enjoys unprecedented representativeness in the international trade union movement. But there are other actors, and the ITUC’s relations with them raise important and sometimes controversial issues. Relations with its Global Unions partners – the Global Union Federations and TUAC, and also with the ETUC, mainly through the PERC, are mandated in the ITUC Constitution. In those cases the question is simply how to strengthen existing partnerships and to make them work optimally. But for the others, the issues are different and include some points of fundamental principle.

97. Since the simultaneous dissolution of the ICFTU and the WCL on the eve of the founding of the ITUC, the only other world trade union body which has the same full consultative status as the ITUC at the ILO is the World Federation of Trade Unions. Much reduced in size and influence since the end of the Cold War in which it was a determined protagonist, the WFTU continues to combine a radical critique of global capitalism, support for those state-sponsored trade union monopolies which continue to exist and defence of regimes which deny trade union rights, with trenchant and sustained hostility to the ITUC. The WFTU’s condemnation of the ITUC at the time of the Vienna Congress has not let up since. In a recent posting on its website, a WFTU official describes the ITUC as “corrupt and corrupted”.

98. In such circumstances institutional contact with the WFTU would serve no purpose, and none has been sought. Nevertheless, a number of WFTU affiliates which do undertake real trade union activity have maintained positive relations with the ITUC and been invited to participate in a significant number of activities.

99. Two regional trade union organisations also operate in parallel with ITUC structures, in the sense that there is not only a coincidence of geographical coverage but also a substantial or even overwhelming overlap of membership. That is particularly marked in the case of the Organisation of African Trade Union Unity, the great majority of whose affiliates are also affiliates of ITUC-Africa. Despite the opportunity presented by world-level unification, this situation – “one body, two heads” – has not been resolved. The OATUU declined invitations to be an active partner in the regional process which gave birth to ITUC-Africa, and there has been little visible progress since.

100. There are a number of possible explanations for this impasse: loyalties to a longstanding regional organisation; the sentiment that African concerns cannot adequately be addressed within a worldwide organisation; the obstacles posed by the handful of OATUU members which are not ITUC affiliates; and the material advantages of attachment to two organisations. But the more important question is whether, apart from the surface incoherence, this duality matters very much. Some would argue not. But it is worth keeping in mind that it denies the African movement the dividend that has accrued to the ITUC of being able to speak as a single united voice of all workers; that it can and has involved competition for resources and for representational space; and lastly and most importantly that it can involve damaging differences of policy and position on matters of such basic importance as trade union freedoms. It is a matter of record that the ITUC’s uncompromising readiness to speak out against government abuses has not often been matched by the OATUU.

101. In any case, and despite the interest of all affiliates in these issues, it is the ITUC’s African members who must take the lead in assessing the current situation and providing the political will and means to bring about the changes they consider necessary. By the same token, affiliates in Arab countries need to be the prime actors in respect of the second regional body in question, the International Confederation of Arab Trade Unions.

102. Because, in practice, ICATU accepts only one organisation per country, a significant number of ITUC affiliates are excluded from it, and those which are members do not constitute the same decisive majority that exists inside the OATUU. The ICATU Congress held in Khartoum, Sudan, in February 2010 brought a change in its leadership and was also followed by a review by the ITUC’s Arab affiliates of the ITUC’s overall strategy and means of action in respect of their region which, for a variety of reasons, merits priority attention.

103. Meeting in Tunis in April 2010, these affiliates called for three clear lines of action: continued engagement in and with ICATU, with the clear intent of directing it towards strengthening independent and democratic trade unionism in Arab countries and opposing all restrictions on trade union rights; reinforcing the ITUC Office in Amman with a view to establishing political representation in the region rather than a purely technical presence; and establishing a space within the ITUC’s own structures for Arab affiliates to meet and discuss matters of concern – something which, exceptionally among ITUC constituent groups, they have not previously had. These proposals, which Congress will wish to consider favourably, were backed by a reiteration of longstanding demands for wider use of the Arabic language in ITUC work.

104. Turning to the national level, relations with trade union centres which are not ITUC affiliates are, in the first instance, determined by the constitutional criteria for admission to membership. The ITUC has every interest in their rigorous application, and that they have been so applied is shown by the fact that while 20 organisations have been accepted into affiliation since the Vienna Congress, 41 candidates have been excluded from further consideration and, at the time of writing, no fewer than 35 are under examination. Whatever interest the ITUC has in increasing its representativeness, it has a far stronger one in remaining vigilant in defence of its principles of independent and democratic trade unionism.

105. That does not detract from the openness and inclusiveness which the ITUC has demonstrated in its dealings with non-affiliates to whom it has consistently sought to reach out, remaining particularly attentive to organisations which, although they have not yet chosen to apply for affiliation, might be considered to meet the criteria for membership. Hence for example, non-affiliates have been involved regularly by the ITUC in the Asia-Pacific Labour Network and in activities related to the Asia-Europe Meeting (ASEM) process and work side by side with ITUC members in the sub-regional trade union coordinating bodies operating in the Americas.

106. The status of associated organisations provided for in the Constitution has proven of some worth in its intended function of facilitating the passage of some organisations to affiliation; two of sixteen have so far made that transition, and the prospects for several others doing so are encouraging. Nevertheless, in practical terms, it has not always been easy to offer those in this category the type of cooperation, or to exercise the type of evaluation foreseen to make this system operate to best effect. These issues would merit review.

107. Relations with one non-affiliated national centre have, exceptionally, acquired strategic significance for the ITUC, and been the subject of much debate. The General Council agreed in December 2007 to open a process of dialogue and engagement with the All China Federation of Trade Unions, with the aim of developing practical areas of joint activity that would advance ITUC’s objectives. It was clearly understood that these could not, and would not, compromise the ITUC’s commitment to the defence and promotion of trade union rights in China as elsewhere.

108. Progress in this process of engagement has been frustratingly slow on occasions, and results uneven, with ITUC affiliates continuing to hold differing views on their significance and worth. In any case the ITUC will have to arrive at an overall assessment of its value one year after Congress when it takes a position on the ACFTU’s strongly expressed claim to a titular seat in the Workers’ Group of the ILO Governing Body to which the process has become closely linked.

## Global Unions

109. The record of cooperation between the ITUC and its Global Unions partners has been good and relations with them largely free of difficulties. The most important structural innovation in this regard has been the establishment of the Council of Global Unions as a vehicle for the structural partnership with them called for in the Constitution. The review of the first three years of its operations undertaken by the Council itself at the beginning of 2010 highlights both its achievements and its continuing challenges.

110. Amongst the achievements is the fact that the Council has become well-established, with agreed governance processes and funding, which indicate long-term viability. Less tangible, but no less real, has been the increased commitment to the Council's work as each organisation has drawn its conclusions from the concrete experience of cooperation. Only one GUF has chosen to remain outside the Council, and achieving universal participation remains an important challenge.

111. Nevertheless, and as the review recognises, the Council's full potential is yet to be realised – "much more progress remains to be made", it says. A focus for that progress needs to be in the Council's key mandate on union growth and organising, where its strategic location at the intersection in the international movement of the work of national centres and their affiliates confer on it particular opportunities. That was reflected in the Council's first major event – the International Conference on Organising, Recognition and Union Rights in Washington in December 2007. In its review, the CGU has identified dual roles for itself – both in promoting an enabling environment for organising, and in helping develop specific company organising strategies. How it defines and carries out those roles will go a long way to determining just how effectively the Global Unions can decide and implement the "international organising agenda" – much discussed but still underdeveloped. Congress may want to give guidance of how, from the ITUC perspective, they want to see this work move forward.

112. Cooperation with TUAC has been close and productive, and has gained greatly in profile as the international trade union movement's reaction to the global crisis has taken shape and effect. The fact that trade union representatives were received by nine of the G-20 Heads of State or Government at the September 2009 Pittsburgh Summit is evidence of that as, more importantly, is the observable impact that affiliates have had on G-20 outcomes. This experience has certainly confirmed the central importance of the ITUC's mandate in respect of the international policy agenda. But however good the progress of recent months may have made us feel, it hasn't yet yielded its final objectives; the world hasn't yet moved for us. So the international movement has to be constantly alert to new opportunities to bring about fundamental change and to be able to act on them.

113. One area of further work, already underway with TUAC leadership, tackles that task by giving greater substance to the demand for a different type of globalisation. It involves an ambitious and necessary initiative to define a "new growth model" that can help trade unions to say with greater precision exactly what paradigm change in globalisation would actually mean and to counter the arguments of those plotting the great neo-liberal comeback that in fact there is no workable alternative to their recipes.

114. The crisis has brought to the fore another lesson already understood: that the international trade union movement needs to ensure that all aspects of its activities on the global economy – trade, investment, climate change, development, international finance, crisis response – are integrated into a single coherent strategy. It follows that its working methods and structures should reflect that integrated purpose, which in turn means that everything needs to be done to ensure that the movement's dispersed capacities – in Brussels, Geneva, Washington, Paris and in the different regions – are combined to best effect. The context in which those efforts need to be deployed is changed and changing. The far-reaching changes on the trade union side that came with unification have been followed by major change on the government side as the G-8 has been displaced by the G-20 in the vanguard of global policy-making. With its partners, and on the basis of the momentum recently gained, the ITUC should not shy away from a careful examination of existing arrangements in the light of these changes.

115. The elaborate architecture of the PERC has, for the first time, provided a structure to anchor relations between the ITUC and the ETUC. That the PERC has operated well has not only benefited those affiliates which belong to it, but also the general climate of positive cooperation between the two Confederations. That cooperation has never been better and in fact depends as much on the goodwill and commitment of each, and common recognition of shared goals and respective responsibilities and competences, as it does on the formalities of rules and structures. Those reflexes need to be maintained.

## Delivering Solidarity

116. The rhetoric of solidarity is a relatively cheap commodity; delivering solidarity in practice generally requires a greater expenditure of effort and resources, and is a crucial responsibility of the ITUC. It has at least two distinct dimensions: concrete prompt and effective assistance to those in need of it; and the formulation of policies which are properly responsive to the interests of all affiliates and address equitably those instances when they may appear to diverge, or must encompass competing priorities.

117. The ITUC has had the good fortune to be able to build on the experience, methods, and networks that have been used to defend those whose rights are under attack for many years before it came into existence. It has sought to intensify their deployment and to supplement them with innovative initiatives including major national level events like the ones held in Guinea and Guatemala, and those now planned for Zimbabwe and for Turkey. But the impact of all of these depend in large measure on the extent to which they can draw on the active support of affiliates; one letter to a government might not get an imprisoned trade unionist released, or others reinstated – but fifty could well. And that type of mobilisation cannot be consistently ensured simply by the readiness of a handful of people in ITUC affiliates to react to calls on their solidarity; it rather requires a more far-reaching effort to heighten awareness of trade union rights issues around the world and to tap into grass roots trade unionists' reservoirs of solidarity. The Annual Survey of Trade Union Rights Violations has become a powerful tool for this, and there is a real potential for using creative audio-visual products and campaigns to do still more.

118. The ITUC can count too on its Solidarity Fund, made up by the voluntary contributions of affiliates – too few – as a dynamic instrument for providing material solidarity. But it is not as dynamic as it should be. Because, despite progress made in defining strictly the purposes of spending from the Fund, and placing its operations under the supervision of a Management Board, its operations have not been up to the ambitions originally invested in it. Counterintuitively, the main problem has been a worrying failure to spend monies from the Fund for the real solidarity objectives it exists for. Expenditure has been low and the unspent balance has grown, to the point that contributors are questioning the need to continue to put resources into it.

119. It must surely not be beyond the capacities of the ITUC to match the manifest need for solidarity support around the world with the significant resources available in the Fund. But, experience to date would suggest that that will require a quite different approach to its administration and a concerted effort to make it known to would-be contributors and users. The potential is great, and Congress may wish to give a firm signal that it wants it to be realised.

120. Solidarity is less frequently considered in the context of policy making, yet this is an issue which the ITUC is obliged to address regularly, often in difficult circumstances. It is in fact what lies behind the most frequently asked question about the very rationale and credibility of the ITUC: can it really claim to be an effective representation of workers in such a bewildering variety of circumstances, and whose interests are obviously different and potentially contradictory? The question acquires greater weight in conditions of a globalisation process which seems to offer ever greater opportunities to play off different groups of workers against each other.

121. The ITUC can neither ignore the real difficulties that can arise in reconciling differing but legitimate union concerns in developing shared policy positions, nor allow itself to be deterred by them. There is no alternative to the hard task of consultation, persuasion, compromise and consensus, and the ITUC and its affiliates have already had considerable experience of that – in respect of trade, for example, and most recently climate change. That has taught it the need for full involvement of affiliates from all regions in decision-making, the need to avoid the easy road of lowest common-denominator generalities, the need for each affiliate to make the effort to understand the circumstances and problems of the others, and the need for all of them to stay on board once a position is established, even if it is less than perfect. That may not always be easy – but solidarity sometimes isn't.

### **Strength from Cooperation**

122. Its Constitution makes the strengthening of the capacities and membership of trade union movements through coordinated provision of international development assistance a permanent responsibility of the ITUC. And the Founding Congress told it to tackle the job by mobilising increased resources for that purpose in the framework of "an agreed global strategy".

123. That mandate has been pursued vigorously, particularly through the work of the Trade Union Development Cooperation Network, which has provided a place, not previously available, for all relevant actors to meet, agree priorities, exchange information, coordinate, and plan together. The innovative and concerted approach taken has met with positive responses from many affiliates, has brought extra resources to the ITUC's activities, and opened the way to progress towards the truly global strategy that Congress wanted.

124. But the process has not been uncontroversial, and the strategy is not yet complete. With the Congress mandate went an appeal to affiliates to contribute to the objectives set out "in conditions of cooperation and openness". Many have done so, enthusiastically. Others have been less able – because of national constraints on use of resources – or less inclined to do so. There is a residual concern – expressed with diminishing frequency but still there – that the ITUC's "global strategy" is in fact code for centralisation and the multilateralisation of existing bilateral activities, which would be to the detriment of some organisations and interests. That is not the case. While there has been an important and welcome growth of multilateral cooperation through the ITUC, that trend has obvious limits, imposed by capacity constraints and usefulness. A far larger component of the global strategy has to do with putting in place mechanisms that would help bilateral cooperation to be fully in line with commonly agreed policies, methods, and priorities: targeting can be agreed; duplications avoided and gaps filled; best practices and experiences exchanged; methods developed.

125. Seen in this perspective, the role of the ITUC is to support and service national actors, with a view to improved quality and effectiveness rather than to make a grab for resources and competences. The ITUC Secretariat has invested in its own project administration capacities, and that effort certainly needs to be extended to Regional Organisations as well as affiliates. Experience suggests that ensuring the reliability of every link in the chain of cooperation from the receiving national affiliate all the way to the contributing solidarity support organisation is a tall order but a precondition for success. When it is achieved, the pay-off can be considerable. Current efforts to realise, finally, a computerised database on which all solidarity support organisations would share information and from which they would benefit is one part of that work.

### **Closing the Gap**

126. The danger that trade union internationalism was – and might remain – remote from the mainstream of national trade union work and priorities, and the concern of a limited group of specialists and enthusiasts, was recognised when the ITUC was established. With that recognition came a determination to narrow the gap. If that was not done, it would be difficult for the ITUC to win the full commitment of its affiliates for the achievement of its ambitions. And the effort started with an attempt to identify where the problem comes from.

127. Despite moves towards the creation of cross-border coordination mechanisms, the rapid growth in the number of Global Framework Agreements concluded by GUFs and other international initiatives, the core functions of organising, bargaining and conducting disputes are still conducted by trade unions at the national level within national legislative frameworks. Exceptions are just that – exceptions. While continuation of current trends may increase the international component of this work, there is little evidence yet that national centres see any real prospect or opportunity

for the transfer of these key responsibilities to international level. The ITUC and its Global Unions partners can still operate in the margins allowed by the evolutionary change in course to develop their international organising and bargaining agenda – as others are doing outside their structures. But in the absence of the type of qualitative change that cannot be envisaged in the short-term, it is only realistic to accept that internationalism will remain of episodic and secondary importance to many of the top priorities of the majority of ITUC affiliates.

128. But this is not to suggest that the new internationalism can be sustained by the strength of trade unions' solidarity reflex alone, or that its scope should be restricted to issues of secondary significance. Every affiliate has also to find substantial responses to its own needs in what the ITUC does, as well as a means of providing the assistance needed by others. In that regard, authoritative and relevant information, policy positions, and access to key decision-makers and institutions have proven to be ITUC services which are valued by affiliates who are all affected, in one way or another, by globalisation.

129. The challenge inherent in bringing any aspect of the ITUC's work closer to the major concerns of affiliates is to involve as many of their structures and activists in it as possible. Even with the most committed internationalists in affiliates' leadership positions – and the ITUC is thankful for every one of them – and the most dynamic international departments, that job will not get done. Rather, internationalism must penetrate as deeply as possible into the national centres which make up the ITUC, because only then can it hope to harness their full weight in pursuit of its goals. This is not an idle hope. The evidence to date supports the conviction that large numbers of trade unionists are interested in international issues and will engage in them – if only they get the chance. It follows that the ITUC, together with its affiliates, needs to take a look at how well they have done in providing such opportunities, and how they can do better.

130. That exercise opens the way to three avenues to improvement. The first is in the field of communications. ITUC representatives working with affiliates are alternately discouraged by the large number of activists they meet who have never heard of the ITUC, and elated by those – fewer in number – who have and know something about its work. The best that can be said is that progress is being made. But at its current pace it is not enough, and the ITUC needs to take on, jointly with its affiliates, the task of bringing a step change in the transmission of relevant and appropriate information on its work to the wider national trade union audience. The ITUC Secretariat has clear responsibilities in this regard, and so do its affiliates. One starting point would be an assessment of the extent to which affiliates actively use and promote existing ITUC information and reports, and how that use can be improved. When there has been real take-up of ITUC reports – for example the ones on the gender pay gap – results have been very positive, both in terms of profiling a key issue and in helping establish the ITUC as a global authority. In general, the ITUC needs also to be focussed firmly on providing tailored information pieces which meet affiliate needs and interests, and affiliates need to ensure that they get as widely circulated as possible.

131. Already, the ITUC has gained experience – and some notable successes – in the use of video and, more recently, web-based information tools, including social networking. The ITUC Facebook page is well-visited and being used strategically to convey key messages, and reaction to its YouTube video channel has been positive too. Short web videos have been used very effectively to reach audiences beyond the ITUC's usual reach on issues such as maternity protection and child labour. Moreover, the Youth Committee has launched an ITUC youth blog which offers a highly successful means of interaction between young trade unionists around the world that is used with impressive energy and effect. The rapid development of these types of tools, and the new opportunities they bring, mean that there is need to stay abreast with the evolution of these new media and that a considerable part of the ITUC's communications effort will have to be directed at their use. With the necessary creativity, that can help overcome the image that some may hold of trade unions as old fashioned and unexciting.

132. The second avenue concerns the mobilisation of affiliates on international trade union issues. From the outset, and as something of a symbolic test of the true capacities of the new internationalism, the ITUC decided to confront the challenge of mobilising with the Vienna Congress deciding on the convocation of a worldwide day of action. That led to the calling of the first World Day for Decent Work on 7 October 2008, and a second day on the same date in 2009.

133. Affiliates have generally given a positive assessment of these two events, which have brought hundreds of thousands of trade unionists into direct contact with the ITUC for the first time. The ITUC itself has learned a lot from them: that the responsiveness of affiliates to the call to mobilise varies enormously and that when they do so, it is in very different ways and on very different scales; that it is necessary to identify a unifying global theme for each Day which can be adapted to local circumstances and priorities; that reporting and sharing information on activities by affiliates is vital to the success of the Day because it generates the feeling of being a part of a worldwide action; and that the Day can do much to promote awareness of, and identification with, the ITUC.

134. Equally, some questions remain unanswered, and Congress must now choose between some basic alternatives for the future of the Day. The most obvious would simply be to continue to organise events on a similar basis as in 2008 and 2009 each year on 7 October. Experience has shown the results that could be expected and affiliates can judge their worth, but there must be a question as to whether mobilisations could be sustained at the same level – or better – indefinitely from year to year. A second and more ambitious option would be to convert the day into a fully-fledged worldwide day of protests and mass demonstrations around clearly defined demands. That would constitute a quite different approach to the rather softer and more varied activities of the last two years. It was seriously considered in 2009 when, in the dramatic circumstances of profound global crisis then prevailing, there was some support for the view that this higher level of ambition was necessary and achievable. And yet it was not acted upon, with one reason being that while political as well as economic and social circumstances in some countries predisposed some affiliates to go on the offensive, precisely the opposite was the case in others. If a full global alignment of national trade union circumstances is to be a precondition for this type of action, it will not happen. The third option open to Congress is to decide to discontinue this type of mobilisation, considering it as having served its purpose in the formative years of the ITUC.

135. The World Day for Decent Work, for all its symbolism and visibility, is only one example of affiliate mobilisation undertaken by the ITUC. Others include actions convened on the rights situation in specific countries – Honduras, Iran, Nepal and Turkey for example – but also the representations that affiliates have been called upon to make to governments in respect of different policy demands, most recently on action to beat the crisis.

136. Such actions can be similar to, or part of, the third avenue for increased engagement of affiliates in ITUC work, namely campaigns. There is no doubt that campaigns, when they have clearly defined, relevant objectives, defined timeframes, and well-thought out methods and activities and have a potential to win public and media attention, appeal to many affiliates. Hence the Play Fair campaign focussing on the Olympic Games and the global sporting goods and events industries has reached a very wide audience and helped the work of affiliates and GUFs to promote organising and collective bargaining. Other campaigns, on violence against women and on nuclear proliferation, have equally shown their worth, and there is much to be gained from addressing other priorities in comparable ways. Congress cannot be expected to specify at this stage what the targets of future campaigns should be although it might consider the challenges of migration and of the informal economy as being particular priorities. In any case, it can make clear that it wants a creative campaigning ITUC, and that affiliates should be ready to get involved.

## **Working with Our Friends**

137. Working out if, how, and when trade unions should work with allies among non-governmental organisations and in the political arena has been a long term endeavour – at the international level at least. The debate was not born with the ITUC but inherited by it, and the discussions that had gone before meant that the Vienna Congress was in a position to take a clear constitutional position: that the ITUC should develop links and cooperation with other civil society organisations and political groupings in pursuit of its objectives without compromising trade union independence.

138. The ITUC has made progress, in different ways, in establishing with international institutions and governments its global authority as the voice of international labour. The example of the G-20 stands out in this regard. But that recognition is not yet matched in terms of its wider public profile. The need is to take advantage of the momentum gained so far to make this a major element in the next phase of the ITUC's development. Success will depend largely on the active engagement of affiliates in the endeavour.

139. With regard to interaction with civil society organisations, some reticence persists among a number of affiliates with direct experience of government manipulation of NGOs to their detriment, or of situations in which NGOs have sought to take on the representational role of trade unions. But because the ITUC has usually been in a position to assert its own identity and profile, and because the injunction to protect its independence and to pursue its own goals has been taken seriously, this type of cooperation has generally worked well.

140. The result is that the ITUC's standing with important sectors of civil society has grown, and that it has been able to win understanding and support there for trade union objectives. Progress has been particularly marked in the field of the environment and climate change, where the potential for disagreement is quite high, but has been evident too in longer standing areas of cooperation – gender, rights, development and economic and social policy. In all of these the challenge is often to reconcile the need for the ITUC to promote the whole range of its affiliates' objectives with civil society partners' exclusive focus on single issues. And frequently the most difficult decision is to say "no" to cooperation. Refusals can be misunderstood and resented but are sometimes necessary.

141. Cooperation with political allies presents a different set of issues. Not only is the imperative to safeguard trade union independence posed with special force in such cases, but the fact that the ITUC is an avowedly pluralist Confederation makes it improper for it to identify with, or endorse, any specific parties. Instead it has to consider cooperation on given issues, on a case-by-case basis, and exclusively in pursuit of its own objectives. There are obvious constraints to such activity, but they need to be respected not ignored. They extend even to the use of vocabulary. The ITUC has taken refuge beneath the conveniently vague and broad umbrella of "progressive" politics – as in the case of the Global Progressive Forum, its most structured and permanent partnership to date – to preserve its independence from specific political parties or families.

142. But the difficulties do not stop there. Obstacles arise too from the absence of any credible or comparable world level political counterpart of the ITUC, and the fact that activities have so far been far too concentrated in Europe. The question may indeed be put as to whether the pressures on political representatives to defend strong national interests preclude the real possibility of an international progressive political agenda on globalisation which would have the genuine support of parties and inform their policy-making nationally and in the multilateral system. The question is central to the objectives of Congress. Because if the ITUC ambition of fundamental change in globalisation is to be realised, it will take considerable political will and commitment to overturn the entrenched model. Trade unions are doing more than most politicians to make that happen, but a combination of their efforts looks more and more like a precondition for success.

## **Working for You**

143. The ITUC Secretariat – in Brussels, in the Regional Organisations, and in the other offices around the world – has very important responsibilities to all affiliates. It is well aware of them, and has demonstrated its capacity to assume them. Perhaps even more than affiliates, because it is its everyday reality, the Secretariat has had to meet the challenge of managing the different pre-existing cultures in a single unified organisation. All those at Congress who have participated in trade union mergers will understand that such situations are not without their problems and that overcoming them requires a readiness to accept change, to be open to new habits, methods and ideas, to be tolerant and respectful, and a certain amount of time. That is the approach that has been adopted, to good effect, and will be persisted with.

144. In addition, the Secretariat has had to confront circumstances which will be familiar to many of the affiliates it serves: heavy workloads in some cases, the impossibility of responding to all affiliates' requests; and a degree of uncertainty arising from the ITUC's financial situation, which made

necessary a cost-saving reorganisation approved by the General Council in October 2009. It is for affiliates to assess the job the Secretariat has done, but the perspective from the Secretariat is of a common purpose and commitment to have the ITUC operate to the highest levels of quality and responsiveness to their needs.

145. To those good intentions must be added serious and systematic attention to the internal efficiency and organisation of the Secretariat. There are certainly areas where improvements should be made. In Brussels, management capacity is one of them, and stripping out unnecessarily heavy bureaucratic processes is another. Despite cost-cutting elsewhere, the General Council has decided to allocate extra funds to invest in the modernisation of the ITUC's somewhat outdated documentation handling and accounting systems. Essential progress has also been made in overcoming serious difficulties in financial management, and in reinforcing project administration.

146. From a wider perspective the ITUC needs also, and in conformity with the parameters painstakingly established in its Constitution, to ensure that its different parts – Brussels, the Regional Organisations and structures, and field offices – communicate and interact well. Whatever the merits may be of the political debate over global coherence and autonomous regional space, none of them can be a pretext or excuse for a failure to inform, to cooperate, or to contribute properly to the task of carrying out the tasks handed down by affiliates. Here too, the good intentions on all sides must be accompanied by the appropriate systems of organisation which can facilitate their realisation in practice.

### **The Last Word**

147. The last word on the future of the ITUC and of the new trade union internationalism belongs to affiliates, and to their delegates at Congress. The only arguments that the Secretariat can use to win their support and commitment are the work that has been done since November 2006, and the ideas presented for what can be done in the next four years. Affiliates will judge the record so far and the prospects ahead and how the internationalism of which they are a part through their membership of the ITUC contributes to the objectives their members have set them. On that basis, they will decide the investment of political commitment, resources, and effort that they will make in their international.

148. As they do so, they will certainly be mindful too of the enduring imperatives of international solidarity which, uniquely in the trade union movement, transcend the usual calculations of interest and advantage. But one further factor that should also be weighed in the balance is the simple reality that the future of the new internationalism lies decisively in the hands of the ITUC's affiliates. They must determine what they want from the ITUC and the resources they are ready to put at its disposal, and at Congress they have the opportunity to do so. Equally important, or even more so, will be the decisions that each one takes afterwards, back in its own country, about how it will, or will not, integrate internationalism into its daily work, how it will take up both the opportunities of ITUC membership and its responsibilities as architects of a new internationalism. Vancouver will set the course but it will be the next four years that yield the answers.



# DRAFT MAIN PLENARY RESOLUTION

## PART I

### FROM THE CRISIS...

Congress deplores the enormous damage inflicted on working people by the current crisis which comes after decades of the operation of a model of globalisation that has been anti-worker, anti-poor, and anti-development. Now the people must benefit from globalisation. It is time now to move forward from the crisis to global justice.

Congress recognises that, notwithstanding the massive suffering it has caused, the crisis also offers new opportunity to realise the objective set out in the ITUC's founding programme of changing globalisation fundamentally to make it fair and sustainable. Yet, ill-conceived exit strategies from the crisis can equally lead to the perpetuation and intensification of the injustices and inequalities of the past.

Congress therefore commits the ITUC to intensify its work in the next four years to bring about the transformation of the globalised economy to make it fair, inclusive and sustainable. It recognises that achieving each of the constitutional aims of the ITUC depends on that transformation and calls on all affiliates to bring their strength and solidarity to the shared task of its realisation.

Congress identifies the following six priorities in the ITUC's strategy for global social justice.

- **Decent Work for All:** Starting with the promotion of the vigorous implementation of the ILO Global Jobs Pact as the centre-piece of jobs-intensive anti crisis strategies, the ITUC is instructed to work for the provision of decent work opportunities for all as the central objective of economic and social policy.
- **Labour Market Justice and Equity:** Reversing the accumulated inequalities of the past requires the restoration of justice and balance in labour markets. The ITUC is therefore instructed: to work for universal observance of fundamental workers' rights; to promote higher levels of trade union organisation and collective bargaining coverage; to combat precarious and informal work; and to campaign to close the gender pay gap and to eliminate all other types of gender inequality at work.
- **Regulated Finance:** Putting the financial economy at the service of the real economy is essential for a global economy which meets real human needs. The ITUC is therefore instructed to campaign for effective and adequate regulation of financial markets and actors and for an international tax on financial transactions.
- **A Sustainable Low Carbon Future:** Placing the global economy on a trajectory which prevents catastrophic climate change is essential to the jobs and welfare of workers everywhere and to the long term future of the planet. The ITUC is instructed to work for a "just transition" to that sustainable future which protects workers' interests and promotes decent work.
- **A New Development Model:** The current model of globalisation has failed to distribute its benefits fairly. It has failed to provide opportunities for balanced development for all countries and it has failed to make decisive inroads into world poverty and deeply-entrenched inequalities. The ITUC is therefore instructed to work for the establishment of a new development model in which developed and developing countries alike would meet their respective and shared responsibilities in ensuring that all benefit fairly from the fruits of social and economic progress.
- **Governance of Globalisation:** The global crisis is a direct consequence of the failure of the international community to impose adequate governance on a process of globalisation driven solely by the dynamics of deregulation, liberalisation and privatisation. Correcting its defects and averting further crises means meeting the evident need for governance now. The ITUC is therefore instructed to promote and support initiatives in favour of governance which replace today's market fundamentalism with a commitment to policy coherence for a social dimension in globalisation, with decent work as the overriding policy objective.

Congress underlines the particular responsibilities of the ITUC to the most vulnerable and disadvantaged in the workforce, and calls on it to give specific attention to the needs of migrant workers and those in informal activities.

Congress recognises that the ITUC's constitutional commitment to the maintenance and strengthening of peace is closely-related to the achievement of social justice. It deplores the existence of conflicts that continue to take the lives of many and to blight those of many more and the high and growing levels of military spending which divert resources from meeting pressing human needs. It re-commits the ITUC to the cause of peace and disarmament and calls on all affiliates to take every opportunity to advance them.

## PART II

# ...TO GLOBAL JUSTICE

Congress recognises that the practical value of the ITUC's vision of a forward path to global justice depends upon its own performance as a strong, high profile and effective instrument for the representation of workers' interests in the global economy. It considers it crucial that the international trade union movement make the attainment of global justice a common cause and keep all of its structures, methods and relations under permanent review with a view to their further improvement where that proves necessary.

It therefore welcomes the achievements of the ITUC in its first years of existence. Acknowledging the progress made, it insists that much remains to be done to continue to the building of the new trade union internationalism and calls on all affiliates to contribute actively to that process.

Congress welcomes the establishment of ITUC Regional Organisations and Structures since the Vienna Congress as well as that of the Council of Global Unions. With structural unification complete it stresses the need for the ITUC and its Regional Organisations to be attentive to the need to be in constant contact with affiliates and to be responsive to their views and needs so that internationalism can be a permanent part of their activities.

Congress welcomes the record of cooperation between the ITUC and its Global Unions partners, as well as with the ETUC, and calls for its further strengthening in the coming Congress period.

Congress calls on the ITUC to be uncompromising in its attachment to the principles of democratic and independent trade unionism, and to make them the key reference point of relations with other international, regional and national trade union organisations as well as in decisions in respect of affiliation and associated organisations.

Recalling the unitary and pluralist character of the ITUC as defined in its Constitution, Congress underlines the responsibility of all affiliates to act in a spirit of solidarity towards each other and of respect for their diverse inspirations and organisational forms.

Congress recognises that the ITUC's fundamental commitment to international trade union solidarity must find concrete and practical expression in its work. It calls for further strengthening and development of actions in support of affiliates under threat and for affiliates to participate in them, and for continued publication of the ITUC's Annual Survey of Trade Union Rights Violations.

Congress believes that the Solidarity Fund remains a critically important instrument for the ITUC's capacity to deliver assistance to those in need, expresses warm appreciation to affiliates which contribute to it, and urges others to do likewise. Nevertheless, despite the efforts deployed, it recognises that the Fund has not yet realised its full potential. It therefore instructs the Secretariat to renew and intensify its efforts to revitalise the Fund's operation so that it becomes the truly dynamic vehicle for solidarity that it can and must be.

Congress welcomes the progress made in the elaboration and implementation of a global ITUC strategy on development cooperation, particularly through the Trade Union Development Cooperation Network. It calls again on all affiliates to contribute to the strategy in conditions of cooperation and openness, and for the continued cooperation of the Regional Organisations to ensure that it serves to meet the ITUC's constitutional mandate to strengthen union membership and capacities.

Congress reiterates that the success of the new internationalism depends crucially on the success of the ITUC in involving affiliates closely and permanently in its work and in bringing their strength to bear in the attainment of the goals it pursues. It calls on the ITUC to consolidate further the involvement of affiliates in its work through:

- Communicating relevant information on ITUC work in appropriate forms with a view to engaging the widest possible interest and participation of their members. To this end the encouraging start made in the use of innovative web-based media should be built upon and expanded;
- Mobilisation of affiliates on key international issues. Following the positive experience of the first two World Days for Decent Work, Congress instructs the General Council to make arrangements for a third Day on 7 October 2010 and calls on all affiliates, without exception to contribute to its success;
- Campaigns on high profile issues with a potential for significant media and public impact and wide involvement of trade unionists at all levels.

Congress recognises that successful cooperation with civil society and political organisations in conformity with the conditions set out in the Constitution is of major importance in advancing ITUC values and objectives. It welcomes the progress that such cooperation has brought in raising the ITUC's profile and influence beyond the trade union movement and calls for its continuation.

Four years after its founding, Congress expresses its unconditional endorsement of the principles and ambitions of the ITUC, and its firm conviction that the unification of the democratic and independent forces of world trade unionism has shown both its benefits and its potential. The conditions of global crisis prevailing as Congress meets, confirm it in its attachment to the new trade union internationalism. It calls on all affiliates and all other democratic and independent trade union organisations to join in the common ITUC-led struggle for a better, fairer future for all the workers of the world.

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