



INTERNATIONAL TRADE UNION CONFEDERATION

**2<sup>nd</sup> WORLD CONGRESS**

Vancouver, 21 - 25 June 2010

**RESOLUTION****ON****CHANGING GLOBALISATION**

1. Congress expresses the gravest concern at the unprecedented depth and persistence of the global economic crisis. Tens of millions of workers around the world, the innocent victims of this crisis, have lost their jobs and incomes. Working people are angered by the causes of the crisis and feel a deep sense of injustice at the massive suffering it has brought. It is a crisis precipitated by the greed and incompetence of speculative financial interests to the detriment of the productive economy, underpinned by the fundamentalist free market dogmas of the preceding decades. It is a crisis precipitated by growing inequality in income distribution and a substantial erosion of the wage share in national income, accompanied by relative wage reductions, increased labour flexibility and insecurity, reduced social protection and weakened public services provision. It is a crisis precipitated by a growth model that has provoked environmental degradation and made the planet itself less habitable. Congress rejects the neo-liberal model as discredited, anti-worker and anti-poor and demands action to prevent a repetition and to make fundamental changes to globalisation.

2. The immediate priority is for greatly increased, internationally coordinated action to create decent sustainable jobs and safeguard existing ones, ensure adequate social protection, raise wages and purchasing power, eradicate poverty and insecurity, build and strengthen public services, promote education for all, vocational training and lifelong learning, close the gender wage gap and reverse the growth of income inequality. Governments must make every effort to ensure the ILO Global Jobs Pact is implemented. They must invest in Green Jobs, based on 'just transition' strategies that are a crucial element in achieving binding commitments to stop climate change. They must provide adequate unemployment benefits and reject any "exit strategies" achieved through large-scale budget cuts based on lower public services and reduced social security. They must re-regulate the financial system as a matter of urgency and broaden the fiscal base through progressive tax reform so that all incomes are taxed fairly. Congress calls for the introduction of taxes such as a global tax on financial transactions as well as foreign exchange transactions that would address multiple challenges of globalisation by serving simultaneously as a means to discourage large-scale speculative capital movements and to raise revenue for urgently needed global social, environmental and development policy priorities.

3. Beyond the crisis, Congress pledges the ITUC to ensure that there is no return to 'business as usual'. It supports a new path to economic development that is

economically efficient, socially just and environmentally sustainable and calls on the ITUC and its affiliates, working closely with TUAC and other Global Unions partners, to mobilise to fundamentally change the global economy so that it ensures universal respect of human rights including workers' rights, gender equality, sustainable development that generates decent work for all and ends poverty, and cancellation of the debt of least developed countries without economic policy conditionality. This new path must rebalance the economy: the rights of labour and capital; women and men; the real economy and the financial economy; and industrialised and developing countries, through a global co-development pact. It must stop corporate abuses and greed including excessive remuneration of executives and financial traders, recourse to tax havens, downward pressure on working conditions, precarisation of jobs, and the transfer of operations to avoid regulation and to undermine organised labour. Above all, it must bring to an end the policies that have generated massive inequality between and within nations over the past two decades. This requires a paradigm shift in policy-making that "puts people first".

4. The economic crisis has clearly highlighted the increasing mutual dependence of countries and people as a result of globalisation. It has also demonstrated the limitations and weaknesses of the current system of global governance. A new globalisation model must affirm the principles of global social and economic justice, human solidarity and the democratisation of global power relations. Congress demands fundamental reform in the internal governance of intergovernmental organisations, especially the International Monetary Fund (IMF), the Financial Stability Board (FSB), the World Bank and the World Trade Organisation (WTO), to improve the representation of developing countries and guarantee full democracy, transparency and consultation in their decision-making processes. Working people must have a seat at the table through the establishment of formal trade union advisory structures. A review of the mandate and objectives of the IMF and World Bank is required. The neoliberal ideology of those organisations was in large part responsible for the worsening unemployment and poverty, declining public services and worsening income inequality that led to the crisis and such policies must be definitively abandoned. In place of purely rhetorical changes, these institutions must adopt an entirely new approach based on genuine commitment to social justice and increased international cooperation, integrating a leading role for the ILO and the social values it was established to defend in place of economic policy conditionality. They must monitor and prevent financial speculation and stop capital flight, particularly from the poorest countries.

5. International policy coherence must be built on the 2008 Social Justice Declaration of the ILO and be put at the service of socially balanced and sustainable development of the global economy. A global charter for sustainable economic activity that incorporates a substantive chapter on ILO standards and the full Decent Work agenda of the ILO, with an effective implementation mechanism, should be finalised. The G20 countries must develop genuine linkages with the representative processes of the United Nations such that the interests of the peoples of all countries worldwide are taken into account in a new and inclusive global economic architecture, accompanied by the creation of a UN Economic and Social Security Council with a mandate to monitor the social and environmental quality of development. In light of the serious imbalances and extreme poverty in the world today Congress expresses its firm commitment to ending poverty and inequality and to the attainment of the Millennium Development Goals.

6. The economic crisis has exacerbated trends towards restructuring of production on a global basis and is undermining hard-won workers' rights. Congress expresses

deep concern at the increased trend towards precarious, atypical and unprotected forms of employment which deprive millions of workers of the coverage of labour legislation and social security and undermine the union capacity to organise and bargain collectively. Congress condemns attempts of employers to avoid obligations to workers by disguising the employment relationship, and subcontracting or promoting individual contracts of employment. It is essential to obtain full rights for temporary and other atypical workers, with respect for the provisions of ILO Convention No. 181 on Private Employment Agencies and ILO Recommendation No. 198 on the Employment Relationship. Congress emphasises that workers must be paid a living wage and further emphasises the importance of minimum wages in resisting downward pressure on wages. It calls for the ratification and implementation of ILO Convention No. 131 concerning Minimum Wage Fixing and its accompanying Recommendation No. 135 as part of campaigning efforts by affiliates worldwide to achieve decent remuneration to meet the needs of workers and their families. This could be called a “living wage” or “decent wage”, to be determined and established in each country so that it meets the requirements of a decent life.

7. Congress calls on the ITUC to continue its work to transform the world trading system in line with the priorities of working people, both through action at the WTO and in the increasing number of bilateral and regional trade and investment agreements under negotiation around the world. Trade agreements must provide fair treatment and eliminate unjustified trade barriers against developing countries as part of an integrated effort by every part of the multilateral system to bring about sustainable development and the creation of decent work. Vital public services – notably education, health, water, social services, public transport, postal services and telecommunications, and other essential public utilities – should be excluded from negotiations on trade or investment liberalisation, with governments retaining the right to regulate and protect in the public interest. Governments should have the right to withdraw such services from offers under the General Agreement on Trade in Services (GATS) without being forced to compensate other WTO members for such action.

8. Congress underscores that full respect for core labour standards must be a fundamental pillar of the global trade regime and reaffirms its support for the incorporation of a workers’ rights clause into WTO statutes that would require all products traded between countries to be produced and distributed in compliance with core labour standards as a crucial instrument for social justice in an open world trading system. To this end the development and application of systems increasing the traceability of goods as well of systems for assessing the respect of workers’ rights in production and supply chains should be encouraged. The WTO should establish a working party on trade, globalisation, development and decent work, with full participation of the ILO and its constituents, with a view to ensuring universal and enforceable respect for core labour standards. Congress further supports the inclusion of effective labour clauses in bilateral and regional free trade or investment agreements and in trade preference programmes.

9. Congress notes the dangers that free trade and investment agreements negotiated between industrialised and developing countries, including those of the US and EU with Latin American countries and sub-regions such as Peru, Colombia and Central America, may compromise development potential, compromise alternative regional arrangements and strengthen anti-social intellectual property obligations. The ITUC should campaign against such agreements when, in effect, they endorse poor human and trade union rights records, as in the case of Colombia. Free trade and investment agreements between developing countries, such as those between ASEAN

and partners such as China, may also result in significant risks of social dumping and effective safeguard clauses need to be incorporated to protect working people in the event of negative social impacts from implementation of the agreements. Congress expresses further concern that Economic Partnership Agreements (EPAs) between countries of Africa, the Caribbean and the Pacific (ACP) and the European Union (EU) under the Cotonou Convention may undermine existing regional economic integration and could be detrimental to long-term industrial development, cause serious employment losses, endanger food security and deprive ACP countries of tariff revenues vitally needed for public services and investment. Congress calls for EPAs to be renegotiated in order to meet their stated objectives of attaining sustainable social and economic development and supporting integration processes in ACP regions, which must include respect for core labour standards with a role for the ILO in case of any dispute.

### **ITUC Action Programme**

10. Congress instructs the ITUC and regional organisations, working together with Global Unions partners and affiliates, to:

- (a) Campaign and mobilise social and political support for a different globalisation model that can achieve decent work, gender equality, strong public services, universal social protection, respect of human rights including fundamental workers' rights, fair income distribution and progressive taxation, accelerated sustainable development, greater equality between industrialised and developing countries and the elimination of world poverty;
- (b) Demand international policy coherence, regulation and governance of the global economy through an enhanced role for the ILO and the UN, the creation of a UN Economic and Social Security Council, deep reforms of the IMF, FSB, World Bank, regional development banks and WTO so that they respect social and environmental principles including a workers' rights clause based upon ILO core labour standards, and renegotiation of EPAs so as to promote balanced social, environmental and economic development;
- (c) Insist that the institutions and bodies of the WTO, and the respective governments that are represented in them, implement adequate measures for ensuring the respect of core labour standards in the production and distribution of all internationally traded products;
- (d) Promote industrial relations and collective bargaining at all levels and throughout the production chain, as an essential element in addressing the global governance deficit and in order for multinational companies to contribute to a fairer, more inclusive globalisation;
- (e) Campaign actively for trade and industrial policies that affirm the industrialisation of developing countries and fight against underdevelopment in general;
- (f) Develop a clear programme underlining profound alternatives to the failed system of market fundamentalism, particularly to ensure full support for the sustainable industrialisation of developing countries;
- (g) Coordinate trade union actions around the world to achieve this new international economic order, with enhanced participation of men and women from developing country trade unions in all activities;
- (h) Provide regular information, undertake analytical and research work, support the capacity of unions to address globalisation by direct assistance to elaborate

training programmes tailored to specific local or national situations, undertake research studies and prepare appropriate educational materials on the issues addressed in this resolution;

- (i) Urge affiliates to take up the issue of a decent wage – a minimum living wage that ensures decent living standards – in their collective bargaining and other union work;
- (j) Support unions in drawing up proposals and participating in economic and political negotiations with a view to achieving greater economic integration between developing countries on the basis of respect of human rights, good social and working conditions and participation of the social partners, in order to achieve more balanced trading relationships and facilitate growth and development;
- (k) Ensure that ITUC policies and actions address the protection of the rights and interests of all workers, including those in precarious, atypical and unprotected forms of employment whether in formal or informal economic activities;
- (l) Where appropriate as a means towards attaining trade union objectives, work to strengthen relations with political allies and civil society organisations and movements that share the concerns, values, and objectives of the ITUC, based upon mutual respect for the specific role and independence of each.

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22 June 2010