



INTERNATIONAL TRADE UNION CONFEDERATION

2nd WORLD CONGRESS

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RESOLUTION

ON

A SUSTAINABLE AND JUST DEVELOPMENT MODEL FOR THE 21ST CENTURY

1. Congress affirms that the global crisis constitutes the definitive failure of the unjust neo-liberal orthodoxies which have guided development policies in recent decades.

2. Congress notes that the current model of development based on market fundamentalism with its emphasis on export-led growth has failed to deliver sustainable growth and social progress in either the developing world, emerging countries or the industrialised world. Modest gains in poverty reduction - where they have occurred - cannot be accepted as a serious international response to the shared challenge of, and responsibility for, world development. Nor do they weigh heavily against the growth of inequality, the acceleration of environmental degradation or the brutal impact of the crisis on the lives of millions of working families. Congress affirms that unregulated capitalism is ecologically destructive and unsustainable, and calls for a fundamental alternative system of global production that is humane and socially responsible. It calls on affiliates to fight against growing inequalities, underdevelopment and economic injustice in the global system.

3. Congress deplores the fact that the current development paradigm has caused inequalities and poverty and contributed to an erosion of workers' rights and a weakening of workers' organisations in many developing countries through its advocacy of labour market flexibility, privatisation, deregulation and market liberalisation. This has created a downward trend in wages through increased competition between developing countries, increased informalisation or casualisation of work, and fiscal austerity and negative corporate tax competition between states with damaging consequences for access to, and the quality of, social protection.

4. Congress condemns the global trend toward the privatisation of public services due to which millions of people have been deprived of their fundamental human rights. It reaffirms that the provision of universally accessible quality public services contributes to the reduction of poverty and inequality and the expansion of decent work and enhances social integration and cohesion. Congress further reaffirms that free, universal and public education provides opportunities for all and is a crucial underpinning for democratic societies. It is a key factor enabling individuals and communities to break out of cycles of poverty and providing them with equal opportunities.

5. Congress reiterates that trade unions play a key role in the development process. Their democratic representation confers unique legitimacy to interact with governments and employers' organisations and to hold them accountable. By their involvement in social dialogue, trade unions can change unfair government policies and contribute to social progress. By promoting and undertaking collective bargaining they ensure that wealth is more fairly distributed within society, hence contributing to the reduction of poverty and inequalities. By organising workers, including the poorest and the most vulnerable such as those working in informal employment relationships, trade unions can play a critical role in changing the dominant structures of power. The organisation of self-employed workers into union-linked cooperatives can be one way to change power relationships and formalise work. Through their struggle for social justice, trade unions are and must be recognised as full partners in the development process. Congress calls for investment in the strengthening of free trade unions and free collective bargaining in developing countries, as these are two essential pillars for fair and sustainable development.

6. Congress calls for a new development model that is rooted in domestic market growth and focussed on decent work and income distribution and investment in people through education and health, prioritises regional integration and is respectful of the protection of the environment and of workers' rights. Congress also calls for an enabling international environment that facilitates balanced economic and social progress, including for developing countries, and offers them an equitable stake in the globalised economy. It opposes the plunder of natural resources of developing countries by multinational companies and corrupt elites and supports developing countries' own efforts at increasing their value-added production capacity in full respect of workers' rights. The extraction of natural resources by multinational companies must benefit the communities and countries concerned and be consistent with sustainable development.

7. Congress recognises that trade and investment are necessary for successful development but rejects undue reliance on export-led growth at the expense of domestic markets and local needs, or respect for workers' rights. Economic growth must be high-quality and sustainable, and rooted in domestic demand built upon decent income levels, agricultural development and industrialisation through building of diversified and productive value-added capacities. International trade and investment rules, and investment in commercial food production by corporations, must not undermine the livelihood of small scale farmers and rural women and men.

8. Globalisation has given rise to the development of global production and distribution chains. In spite of its "global" nature, the crisis has at the same time led to a resurgence of protectionist trends. In this context Congress calls for a strengthening of the relationship between trade union organisations at the national and international levels in order to work together against the effects of social dumping, especially when this results in violations of fundamental workers' rights. Congress affirms that fundamental workers' rights are critical to achieving sustainable economic recovery and an effective response to the crisis.

9. Congress affirms that the new development model must prioritise decent work opportunities for all and achieving balanced economic and social progress and environmentally-compatible development. It rejects an exclusive focus on economic growth and the assumption that social progress is an automatic outcome of economic expansion. Current calculations of GDP do not reflect the whole picture of growth and prosperity and Congress therefore supports the development of new definitions with better indicators that could provide a clearer picture of progress in the social, economic

and environmental fields. Congress calls upon governments to reverse the trend toward more jobs in the informal economy and the increasing precarity of work, through the strengthening and extension of labour legislation and its more rigorous enforcement and full recognition of the role of workers' organisations. It calls for the implementation of the ILO Declaration on Social Justice for a Fair Globalisation and of an ILO Decent Work Country Programme in every developing country, which require support from both multilateral and bilateral donors as part of their development cooperation and the involvement of trade unions at all stages and in all aspects of these measures. Strengthening public labour inspectorates should be a key component, and ILO Convention No. 81, Labour Inspection and ILO Convention No. 129, Labour Inspection (Agriculture) need to be ratified and fully implemented by all governments.

10. Congress insists that fairer distribution of income is a precondition to any sustainable form of development. Reducing inequalities must be an explicit goal of national development policies including through powerful redistributive tools such as collective bargaining, progressive fiscal policies, living wages or improved minimum wages, guaranteed accessible and high-quality public services and improved social protection. Tax justice is central to this new development model. Increased mobilisation of domestic resources for development should focus on fiscal reform, strengthening tax administration and broadening the tax base and eradicating tax fraud and tax evasion. Governments should seek to establish or strengthen the income redistribution function of their tax systems by establishing progressive regimes that require the highest tax contributions from capital gains and from the wealthy and provide tax relief for low income families and the poor. On the investment side, the focus must be on enabling measures for public finance management as well as social infrastructures including health, education for all to provide people with skills and access to knowledge so that they can take action to protect their living and working conditions, and decent work strategies.

11. Gender equality must be another specific objective and Congress calls upon governments, donors and trade unions to sharpen the focus and the impact of development policies on gender issues. The provision of basic public services is an essential prerequisite for achieving gender equality and empowering women.

12. Many multilateral and bilateral trade and investment agreements between industrialised and developing economies affect developing countries' integration processes negatively by undermining regional integration and generating and exacerbating unemployment. Congress calls for a strengthening of regional integration processes, and recognises the potential of regional markets to boost sustainable growth and that building a social dimension into regional integration remains an important challenge for trade unions and their allies.

13. Congress insists that the protection of the environment and of those most vulnerable to environmental degradation must be an integral part of the new development paradigm. Governments must ensure that their policies are respectful of the environment and that "just transition" strategies are put in place in order to provide a socially fair and environmentally responsible pathway to sustainable development. Congress calls for a full-scale transformation of global production systems and consumption patterns in order to safeguard our societies and workplaces whilst protecting and promoting decent work for all. Trade unions must play a central role in that unprecedented transformation. Congress undertakes to promote an integrated sustainable development approach including a just transition that brings together social progress, environmental protection and economic needs within a democratic governance framework in which trade union and other human rights are

respected and gender equality is secured. It is a responsibility of developed countries to provide finance and to transfer the technologies necessary for the success of such strategies in developing countries.

14. Congress stresses the need to meet all basic needs and calls for an ambitious strategy to provide access to water to millions more people through comprehensive water cycle policies, including water saving and treatment and investment in dams and hill reservoirs in those countries that need them; and for a further bold strategy to facilitate access to accommodation for the majority through the construction of social housing. It draws the attention of governments to the widespread and anarchic urbanisation policies in developing countries that are upsetting societal, economic and social balances, aggravating poverty and creating new needs not in line with people's income. Congress supports sustainable agriculture and rural development and denounces the current practices, which are tantamount to agrarian neo-colonialism, of purchasing huge areas of land in developing countries for commercial food export with a potentially negative impact on indigenous food and culture. Development policies must ensure food security and increase the capacity of local producers to contribute to realising the right to food for all.

15. Congress affirms that achieving sustainable development requires achieving social justice. This needs democracy, fairness, good governance, strong and accountable institutions and the elimination of corruption, and Congress underlines the clear responsibilities of both developed and developing countries in these areas. Rigorous measures should be in place to ensure that funds from donor agencies and IFIs do not contribute to corruption and poor governance. Congress recognises the role that trade unions in developing countries have played to strengthen democracy and the application of the rule of law, and pledges continuing support to them in that work.

16. Congress deplores that despite international commitments aimed at ensuring country ownership of development strategies, today's reality remains that development policies are often driven by donor countries' political or trade priorities or by international NGOs' own agenda rather than by democratic debates taking place at the national level. Congress declares that democratic ownership of development strategies by the people through representative institutions is the main instrument in achieving effective governance of development, and that there can be no democratic ownership in the absence of social dialogue. It urges international organisations, donor agencies and developing country governments to ensure they have the necessary democratic policy space. Congress calls for a true implementation of the principle of democratic ownership, increased policy space for developing countries and insists that national parliaments, the social partners and civil society must have a say in defining development strategies.

17. Congress underlines that an enabling international environment requires financial stability and space for counter-cyclical stabilisation policies to be implemented in developing countries. Congress calls on the International Financial Institutions to contribute to the establishment of that environment rather than advance the interests of rich elites or of a minority of countries. There is need to fundamentally review not just the internal governance of intergovernmental institutions but their overall orientation, policies, goals and mandate in order to address them adequately to the urgent task of attaining development, ending inequalities and creating jobs for sustainable development, particularly in the developing countries where their devastating impacts have never been felt more. Furthermore Congress urges donors to cancel the debt of LDCs without economic policy

conditionality. The creation of a fair and transparent mechanism for sovereign debt restructuring and cancellation and to review the legitimacy of the debt is urgently needed. Congress condemns the actions of so-called 'vulture funds' and welcomes legislation to ban their use of the courts to steal developing countries' money.

18. Congress calls on governments to maintain and intensify commitment to achieving the UN's Millennium Development Goals (MDGs) by 2015 and underlines that the promotion of decent work is instrumental to achieving the objective of the first MDG, the eradication of poverty. Industrialised countries must honour the UN commitment to allocate 0.7% of Gross National Income (GNI) to Overseas Development Assistance (ODA). Additional finance for development must be provided through new forms of international taxation assessments and contributions and in particular taxes such as an international tax on financial transactions, which could also be used for initiatives against climate change. It is important that aid be predictable and untied, respectful of the democratic development choices of developing countries and supportive of the role of the state. Consideration should be given to the creation of a Development Fund for poor countries for sustainable industrialisation.

19. In the event of huge natural disasters such as large magnitude earthquakes, Congress calls for the international community to establish effective and rapid arrangements for limiting human loss and assisting in the urgent reconstruction of towns and cities and their essential basic infrastructure.

ITUC Action Programme

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

- (a) Defend, promote and advocate this new model of development among national and international institutions;
- (b) Work for reform of the international financial and economic institutions, economic recovery programmes that focus on stimulating domestic demand on a counter-cyclical basis, new forms of international taxation, abolition of tax havens, a review of trade and investment treaties and agreements to ensure they promote development, and a fairer distribution of wealth within and among states;
- (c) Work together, subject to respect of trade unions' role and representativeness, with other civil society organisations and movements, including women's and youth groups, that share our values in supporting the promotion of a new development paradigm that includes a new development index instead of GDP, able to measure social and environmental well-being;
- (d) Support initiatives to shift international development assistance from aid effectiveness to development effectiveness, and endorse the work being done by the Trade Union Development Cooperation Network (TUDCN) to bring greater coherence and improved coordination to trade union development cooperation;
- (e) Support affiliates on issues related to the implementation of the new development model including in their fight to reverse the trend towards casualisation and informalisation of work, and to protect workers affected by it;
- (f) Strengthen the capacity of member organisations on the issues addressed in this resolution.