



RESOLUTION

ON

GLOBAL UNIONS, GLOBAL BUSINESS

1. Congress asserts that while globalisation has transformed the world of work it has not changed the fundamental issues arising from the relationship between workers and those for whom work is performed. Nor has it detracted from the responsibility of government to regulate business activity to protect the public interest.

2. The failure to address the social dimension of globalisation has seriously exacerbated a grave and growing crisis of governance, including of business, and Congress deplores the negative impact that this has had on working people and on the societies in which they live. Global business has become increasingly able to operate beyond the constraints of national regulation, and no effective system of international governance has been put in place to ensure that its activity contributes to economic and social progress. The absence of proper public supervision, nationally and internationally, has fostered a culture of corporate greed and irresponsibility and has triggered the current conditions of crisis and suffering for millions of working families.

3. Congress therefore renews the call for effective regulation of global business by states acting individually at the national level and collectively at the regional and global levels. The case for such regulation is stronger than ever before and it is needed to increase corporate accountability through better systems of corporate governance and mandatory reporting on both the financial performance of the enterprise as well as on the social impacts of its activities. New and better regulations are needed to ensure that business pays its fair share of taxes and that the environment is protected from business activities that are damaging. Most importantly regulation of business activities is needed to ensure respect for trade union and other human rights. In this regard Congress welcomes the “protect, respect and remedy” framework proposed by the UN Secretary General’s Special Representative on business and human rights and accepted by the UN Human Rights Council. Congress notes that the realisation of this framework will require standards of due diligence, a more encompassing definition of complicity and meaningful judicial remedies that will not be possible without a strong government role.

4. The establishment of appropriate global regulation of business must equally address reform of the International Financial Institutions and involve changes to trade and investment agreements and to the rules of export credit agencies, to government procurement and to development assistance. Such intergovernmental cooperation is necessary in order to provide conditions in which governments are better able to resist

the pressures from business for concessions harmful to national and international goals and interests including environmental objectives.

5. The changing organisation of business is used to avoid the legal responsibilities of the employer and is having the effect of reducing wages, worsening working conditions, removing or reducing social protection and making rights unrealisable. Regulation is required to end the abuse and exploitation of workers performing work in increasingly complex supply chains who are without access to the management of the companies for whom the work is ultimately performed. The rush to avoid responsibility is contributing to the informalisation of work relationships where work is performed outside any legal framework and protection. Governments must ensure that the rights of workers to form and join their own organisations and to bargain collectively with their employer are realisable in small and medium sized companies.

6. Congress calls for the robust regulation of private financial companies by states acting individually at the national level and collectively at the regional and global levels. Such regulation, which should include the introduction of a financial transactions tax, should limit capital wasted on speculative activity and refocus investment on the productive economy. Regulations should ensure that finance serves the real economy and not the other way around.

7. The regulation of business activity is not in itself sufficient to address the governance crises. Congress considers that priority must be attached to the consolidation and promotion of trade union representation and collective bargaining and the development of sound industrial relations practices within an appropriate regulatory framework as the most powerful and legitimate means of holding global business accountable and maximising its positive impact in society.

8. Congress recognises that Corporate Social Responsibility (CSR) cannot fulfil or substitute for the regulatory role of the state in respect of business or for collective bargaining between employers' and workers' organisations, but can play a complementary role within a satisfactory framework of regulation protecting, inter alia, the full exercise of trade union rights. It is not acceptable that business should itself define or interpret its social responsibilities and trade unions must oppose any effort to use CSR for that purpose. The societal good of sustainable development will not always be the same as the sustainability of a specific company.

9. During the last decade, business has had to show a growing interest in the concept of CSR. Congress acknowledges the need to continue to engage appropriately in public debate on CSR and in specific initiatives in order to take advantage of the legitimate opportunities they offer and to limit their abuse. Trade unions should seek opportunities presented by the interest in CSR to ensure respect for labour and the environment as well as to promote dialogue between the social partners so as to realise the mutual goals of competitiveness of the company and the decent work.

10. In that regard, Congress notes the rapid growth of codes of conduct addressing labour practices in supply chains and of private enterprises providing inspection and social audit services in connection with them. The value of such codes, must be based on whether they contribute to good governance by encouraging the application of the law and promoting mature industrial relations. Codes cannot provide adequate protection for workers where there are legal or political obstacles to respect of human rights. Moreover, the certification of labour practices in non-union workplaces is not credible. Congress insists that labour inspection processes remain the preserve of public administration and underlines the need for a strengthening of national public

inspection systems, in line with ILO Convention No. 81, Labour Inspection and ILO Convention No. 129, Labour Inspection (Agriculture), to counteract any trend towards privatisation of inspection. In most situations only trade unions of the workers concerned have the ability to provide workplace monitoring independent of management.

11. The challenge of global business requires strengthening of global trade union organisation. Congress welcomes and supports the promotion of international social dialogue between the Global Union Federations and sectoral and company counterparts, including the conclusion of international or global framework agreements. Such agreements should provide a means to ensure that the company fully implements its commitments. These agreements are often co-signed with trade unions from the home country of the multinational company. Such agreements, if fully and effectively applied, should have impact on all workers directly or indirectly employed by the company or under its authority, especially in countries where the application of labour legislation is inadequate or where companies have developed strategies to shield themselves from the effective application of trade union rights. Congress calls for intensified cooperation through Global Union Federations between home and host country trade unions in respect of common multinational employers. The ITUC should seek to engage international business organisations over the promotion of international social dialogue.

ITUC Action Programme

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

- (a) advance effective governance of the global economy through the regulation of international business and through industrial relations;
- (b) represent trade union interests in the debate over corporate social responsibility (CSR) and engage with CSR initiatives where it is in the interest of workers and their trade unions and to do this on the basis of trade unions' distinct role as representative organisations of workers;
- (c) promote the internationally defined public expectations of business behaviour in the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the OECD Guidelines for Multinational Enterprises and to give these instruments greater effect in home and host countries and in the production and supply chain with the ultimate objective of establishing binding rules governing the activities of international business;
- (d) make the OECD Guidelines more effective through the enhanced use of national contact points and the increased use of their mediation role and to work for an effective follow up system for the ILO MNE Declaration which is currently lacking;
- (e) work to strengthen other international instruments concerning business behaviour such as the social provisions of the OECD Revised Council Recommendation on Common Approaches on the Environment and Officially Supported Export Credits and in the follow-up work to the OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones;
- (f) promote the adoption of ILO guidelines on private workplace inspection and related reporting and on due diligence with regard to labour practices in supply chains;

- (g) work with international organisations, including business and employer organisations, to promote international industrial relations creating an atmosphere conducive for social dialogue and global agreements;
- (h) work to reform corporate governance, including the prevention of corruption and the public reporting of both financial and non financial information;
- (i) play a leading role in the campaign for a financial transactions tax to ensure that business activity is oriented towards productive rather than speculative investments;
- (j) ensure that the interests of workers and their trade unions are taken into account in the emerging international framework for business and human rights proposed by the UN Secretary General's Special Representative for Business and Human Rights;
- (k) oppose efforts to redefine the responsibilities of business through CSR initiatives and private standards including further efforts by the International Organisation for Standardisation (ISO) and organisations such as Social Accountability International (SAI) to set standards involving issues that should be subject to public policy and democratic and representative processes or that concern areas which fall within the mandate of the ILO;
- (l) Continue to support campaigns over working conditions in global supply chains such as Playfair, which focuses on major global sporting events such as the World Cup and the Olympics and Paralympics;
- (m) work to promote business behaviour that reflects public expectations of corporate social responsibility and the principles of international norms of behaviour found in authoritative intergovernmental instruments;
- (n) facilitate international trade union co-operation in finding ways to ensure that pension fund investments and other kinds of capital investment contribute to a broad range of socially responsible goals and activities and do not lead to the weakening or undermining of the rights of other workers;
- (o) promote social dialogue in order to anticipate structural changes within companies so that they can be managed properly rather than constitute a danger to workers and trade unions;
- (p) work to create a policy environment and coherence among international institutions that will contribute to the respect of trade union rights, including through encouraging and promoting collective bargaining at national level and supporting emerging industrial relations frameworks at international level;
- (q) support co-operation within the Council of Global Unions on company strategies, including through the exchange of information; developing leverage on companies to improve their behaviour and facilitate organising and bargaining; the building of networks and trade union organisations inside multinational firms; negotiation of international and global framework agreements; and activities that strengthen trade union co-operation within supply chains and in situations where enterprises operate in more than one sector.