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### Water Update

The next big international water policy meeting is the 3rd World Water Forum to be held in Kyoto, Japan, 16-23 March 2003. PSI is involved in the preparations in cooperation with Japanese affiliate, JICHIRO. Affiliates interested in participating and prepared to work hard to keep water in the public domain should notify PSI soonest. It should be kept in mind that the organization behind the Forum, the World Water Council, is an advocate for the water corporations. It is therefore likely that privatisation and "partnerships" will be high on the agenda. Contact: david.boys@world-psi.org.

### React to the Rapid Response Unit

The World Bank's Rapid Response Unit sends out monthly updates on issues related to privatisation, regulation and investment. Such issues are topical in World Bank circles, but they are equally interesting for PSI affiliates. For example, the latest update contains a series of web-links which feature material on privatisation. This all feeds into a Bank online discussion group: "Winners and losers from privatisation". Sign up for the newsletter at <https://rru.worldbank.org/ES/Subscripion.asp>, and make sure that the Bank receives plenty of material taking a public sector union approach to the issues. In other words, react to the Bank's call for feedback and "missed resources".

### World Development Report 2004

While the union movement welcomes the World Bank's willingness to discuss the WDR 2004, entitled "Making Services Work for the Poor", it is highly critical of the current draft version. Apparently, PSI and ICFTU are not alone. Tim Kessler, Citizens' Network on Essential Services, has written a paper criticising the WDR team for constantly attributing failures in public service delivery to incompetence, corruption or influence of interest groups, never to inadequate funding. The WDR 2004 team opens the door for increased application of user fees and shows a distinct preference for privatised service delivery through sub-contracting. The weaknesses of government delivery of services are extensively reviewed, whereas the downsides associated with privatisation are not adequately analysed. Tim Kessler's paper is available from PSI. Contact: wendy.caird@world-psi.org.

### Is WTO boosting trade?

The overriding objective of the WTO is to help trade flow smoothly, freely,

fairly and predictably. The question now being raised by Professor Andrew K Rose of Hass School of Business, University of California, is whether the organisation has actually succeeded. To estimate the effect of multinational trade agreements on international trade Professor Rose used data from the Penn World Tables, the World Bank's "World Development Indicators" and the IMF's "International Financial Statistics". The data covers bilateral trade for 178 GATT/WTO members from 1948 to the end of 1999. The data was then applied to what is arguably the most successful empirical model in economics: the standard "gravity" model of bilateral trade. The conclusion reached by Professor Rose is that there is no evidence that membership of the GATT/WTO has actually helped trade flow smoothly, freely, fairly and predictably. See [www.cepr.org/pubs/new-dps/dplist.asp?dpno=3538](http://www.cepr.org/pubs/new-dps/dplist.asp?dpno=3538)

Interested in WTO issues/Cancún?

The official page for the Fifth WTO Ministerial Conference to be held in Cancún in September 2003 is now up and running on the WTO website. The page links to the Doha agenda, the Doha Declaration explained, and other relevant material. The page will be updated as more material becomes available. See

[www.wto.org/english/thewto\\_e/minist\\_e/min03\\_e/min03\\_e.htm](http://www.wto.org/english/thewto_e/minist_e/min03_e/min03_e.htm).

Look for the Union Label...and run the other way!

On 14 November, one of America's leading investment banks, Morgan Stanley Dean Witter & Co. published a report advising investors to refrain from investing in unionised industries. Unionised firms are more likely to provide retirement and healthcare benefits that eat into corporate profit. On 18 November, John Sweeney of AFL-CIO retaliated by reminding the CEO of Morgan Stanley: "Union members built the building you are sitting in and clean it every night. Union members will rescue you if your offices catch fire, and when disaster did strike on September 11, union members re-built the phone lines that link your offices with the New York Stock Exchange. These people on whom Morgan Stanley depends have a voice at work, health care and a pension plan." The same day Morgan Stanley issued an addendum to their report clarifying that they were not anti-union. The overall attitude is nevertheless worrying. Contact: [david.boys@world-psi.org](mailto:david.boys@world-psi.org).

ICFTU lodges complaint against South Korea

On 15 November ICFTU lodged a formal complaint against South Korea at the International Labour Organisation and PSI associated itself with the complaint. The background is by no means new to PSI affiliates. On 11 September, 241 striking hospital workers were arrested and 7 more union leaders were thrown into jail, as 3,000 riot police stormed three hospitals owned by the Catholic Church of Korea where striking workers were participating in sit-ins as part of an on-going pay and conditions dispute. PSI is urging affiliates to participate in the recent urgent action. See [www.world-psi.org](http://www.world-psi.org).

Japanese unionists take to the streets

On 29 November, the Japanese Trade Union Confederation, JTUC-RENGO, staged a demonstration in front of the Japanese Diet to call for greater transparency in public services, abolition of the "career system" and full implementation of ILO recommendations. While the Japanese government has tried to hide behind the "special circumstances in Japan", the ILO's Freedom of Association Committee recently stated that Japanese legislation was in violation of ILO Conventions 87 and 98. PSI sent a message of solidarity to the rally. See also [www.icftu.org](http://www.icftu.org) for a recent report.

OECD governments dragging their feet

More than two years after the review of the OECD Guidelines for Multinational Enterprises, not much is happening. Governments adhering to the guidelines are expected to ensure that companies operating in their countries observe the guidelines. To do this, governments must establish National Contact Points, NPCs, whose responsibility it is to deal with the cases brought to their attention. So far, more than 20 cases have been raised, but only a few have led to any meaningful conclusion. See [www.tuac.org](http://www.tuac.org).

#### 246 million working children

When the UN adopted the Convention on the Rights of the Child on 20 November 1989, there was great hope for a better future for all the world's children. Despite the world's promise, almost a quarter of a billion children are working as child labourers today. Life prospects are bleak. These children will never get a chance to develop their potential. They will be defined to degrading and exploitative work, in conditions so hazardous that they are likely to have short lives. They may even pass this fate on to their children, thus perpetuating a cycle of poverty and misery. See [www.globalmarch.org](http://www.globalmarch.org). At Congress PSI reaffirmed its commitment to support international efforts to eliminate child labour and fight for universal public education as a means to eradicating poverty and advancing human rights and democratic development.

#### New on the Extranet

The PSI Public Sector Working Group met in Geneva on 25-27 November. All relevant documentation is available on the PSI Extranet, including Brendan Martin's "Democracy, social dialogue & regulatory reform".

#### Comments welcome

Please email comments on PSI World News to [psi@world-psi.org](mailto:psi@world-psi.org)

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