



**International Metalworkers' Federation**

## **IMF Action Programme**

**2005-2009**

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# Preface

This policy document builds on the Action Programme adopted at the IMF Congress in Sydney in 2001 and presents the IMF road map for the next four years. It is the outcome of a one-year process, initiated at the beginning of 2003 and involving representatives of IMF affiliated unions from Africa, Asia, Europe, North and South America.

The Action Programme Committee met four times in 2004 and 2005. The Committee members first assessed the implementation of the current Programme, and reasserted the necessity to set goals that are concrete and achievable. Based on that evaluation, they discussed policy adjustments to be made and priorities to focus on in the light of the changes that have occurred in the economic and social environment. Particular emphasis was put on the need to improve interaction and linkages between the local, national, regional and international levels so that they can complement each other and be mutually supportive.

This document is divided in three parts:

Firstly, an analysis of the impact of the current results of globalisation on national governments, workers and the world of work, highlighting the major trends in the economy and the key issues that confront us;

Secondly, an IMF mission statement laying down the basic values and principles along which we must act;

Thirdly, strategies and concrete proposals for action that the IMF and its affiliates must undertake at various levels to build an effective challenge to the forces of global capital to harness globalisation for the benefit of all workers.

IMF affiliates' full commitment and engagement is a key factor in achieving the goals set in the Action Programme. The IMF Secretariat, including the Regional and Project Offices' actions, are dependent on the extent to which affiliates are prepared to bring forward our agenda for equitable and sustainable development and for the universal enforcement of workers' rights, and to strengthen the network of international solidarity that is more than ever necessary.

With the affiliates' active help and support, the IMF will work towards the fulfilment of the objectives contained in this Action Programme, which will be our guide and a basic document for actions for all affiliates in this Congress period.

# **1. ECONOMIC AND SOCIAL BACKGROUND**

## **1.1 A deregulated world economy**

Economic globalisation continues to be the main challenge facing the trade union movement worldwide. Its effect is far reaching and influences the economy, politics and development in all countries across the globe.

Many employers and governments are determined to create a capitalism without any social control or rules in all corners of the world. In the name of efficiency and competitiveness, but in reality to establish overwhelming corporate control of economic activity, protective laws for labour, consumers and the environment are not only being eliminated but also being evaded to allow market forces to rule the global economy, heedless of the economic and social consequences that have become clear.

Historically the stronghold of trade unions has been in the manufacturing sectors of industrialised nations. But these heartlands are being hard hit by the globalisation of capital and many regions are facing de-industrialisation, with concomitant job losses and impoverishment. The past decade has seen the movement of a rapidly expanding variety of manufacturing processes to a number of developing countries where, in many cases, there is a very low degree of unionisation, no democratic unions, or no unions at all. This development affects not only low-skill jobs but also, increasingly, high-skilled and well-paid positions. The logic of cost-cutting no longer distinguishes between blue-collar and white-collar work.

On the other hand, huge parts of the global economy remain undeveloped and spur the exodus of thousands of migrant workers of all educational levels, towards the developed countries.

Although the movement of capital is, in part, behind the restructuring of advanced economies, it is also clear that foreign direct investment (FDI) has to be part of the solution to economic underdevelopment. Productive investment can be an engine for fostering economic growth and technological progress. It has an impact on the level of employment and has the potential to raise living standards with positive spill-over effects on local economies. Globalisation could benefit workers throughout the world and improve prospects for social advances and sustainable development. However the promise of globalisation will not be realised by following a deregulation agenda. The growing inequalities in the global economy between and within countries show that workers and their communities, particularly those most in need of industrial development, are not receiving an equitable share of the wealth they help to create.

In part, globalisation is promoted by the intense developments in information- and communications technology. The Internet, electronic communications and constantly advancing information technology systems make economic activities on a global scale easier to organize and control. Changes in corporate outsourcing policies to include white collar, high-tech work, is proof of this trend. Information and communications technology (ICT) dissolves the borders of time and space, and presents special challenges to the trade union movement.

With deregulation, transnational corporations (TNCs) are continuously evaluating opportunities to reduce the cost of production in a bid to increase the return to their shareholders – little heed is taken of the social and economic interests and job security of workers. The financial scandals linked to widespread corporate abuses have added to that picture, diverting and destroying productive resources, and deteriorating the business environment, all in the name of maximizing profits.

Even in developing countries many TNCs shut down their operations and move on to places where business conditions are yet more favourable and labour still cheaper, as soon as sufficient return has been made on their original investment. There are already indications that today's export processing zones (EPZs), where women account for the bulk of the workforce, will be tomorrow's industrial rust belts. The history of these zones, with their limits on wages, worker rights and union activity, is characteristic of trends undermining equitable development and perfectly illustrate how crude free market liberalisation, without respect of labour and environmental standards, leads to profits for a few while millions of workers and their families face debilitating conditions and exploitation.

Since the last Congress the level of excess capacity globally has increased and there has been a remarkable growth of manufacturing in China and a massive investment and transfer of investment by the TNCs to China. This has made workers' rights and independent trade union organisation in China a priority for the IMF.

A key factor aggravating this trend is the competition in subsidising investments and exports, in which many national and local governments engage. . The IMF must intensify its work and in cooperation with non-governmental organisations (NGOs) and others put pressure on governments to ensure that they cease this unfair competition.

Moreover, it is clear that the trade union movement must build itself into a global force in order to provide a counterbalance to the power of international capital. Although there is a debate within the labour movement as to how best to control these flows of investment, there is strong support for the introduction of a tax on financial transactions, the revenues of which could, at least in part, be used to promote economic and social development.



## **1.2 The plight of unemployment and underemployment**

Despite a pick up in world economic growth, international unemployment and underemployment continue to increase unabated, imposing heavier burdens on young people, women and older workers. Official sources report that over one-third of the world's workforce is jobless or underemployed. Technological changes, the unbridled search for productivity gains, grossly inadequate demand due to inadequate compensation for workers and damaging labour market policies have contributed to this failure. Millions of metalworkers have lost their jobs and been thrown into the streets with no hope of a better future. In many cases they have lost their pensions and health care benefits, which often represented their sole safety net.

The deteriorating employment situation worldwide also undermines measures to address poverty and inequality, which is the most serious challenges facing a growing number of countries today. Employers are replacing regular employment with atypical work contracts through subcontracting and outsourcing. Parallel to the deterioration of the employment situation, the unregulated economy is expanding and a growing number of workers struggle to survive on poverty level wages.

And yet, the neo-liberal logic of 'laissez faire' is not seriously being questioned. Generally, the political and economic elite is complacent about the so-called economic recovery, stressing the need for further deregulating labour markets. They continue to advocate reliance on market forces as the instrument for boosting growth, creating jobs and allocating efficiently global resources.

A high level of unemployment is a waste of human skills and capabilities that contributes to the desire of corporations to consolidate capital and intensify the exploitation and control of labour. This makes no economic sense and is neither politically nor socially sustainable. Unemployment is also leading to considerable mass migration across national boundaries, which thus creates distortions in labour markets in many parts of the world. Achieving full employment must remain as a principal objective of economic and social policy worldwide.

## **1.3 A changing political climate**

The labour movement, for more than a century, has played a key role in the development of democracy throughout the world.

Political organisations were founded in many countries in order to represent and defend the interests of workers.

Many of these organisations are now distancing themselves from their historic goals and are courting the support of capital.

The labour movement cannot always rely on its former political allies to defend the interests of workers. The trade union movement needs to develop the means to influence the political process more effectively for the advancement and protection of workers' rights at the national and international level.

This is particularly pressing given changes in the perspective and experience of new entrants to the workforce. Young people are generally now better-educated, start work later and do not necessarily perceive the benefits of joining a trade union. Women have long been underrepresented or unrepresented by trade unions, despite their increasing participation in the paid workforce.

In addition, employers and a number of governments have developed a distinctly hostile approach to trade unions.

## **1.4 Worker and human rights**

Workers' rights are still denied to millions of workers. Abuses range from restrictive legislation to the brutal repression and even murder of union activists. Free-market competition without necessary and appropriate rules, often coupled with dictatorships and corrupt or anti-union governments are an important factor in the growth of trade union rights violations across the world.

Increasingly markets transcend national borders, but the same cannot be said of workers' rights.

Indeed, certain governments attempt to use low labour standards and workers' rights abuses as a lure for attracting capital investment. This situation is not only an affront to human rights, but is also an economic distortion. The denial of workers' rights results in inadequate incomes and dangerous working conditions, particularly for women, leading to unfair competition and greater economic inequality.

Sustainable economic development is inextricably bound up with respect for human and workers' rights. Eliminating problems such as child labour, and discrimination against women and minorities will not be achieved by activists' campaigns alone - their elimination must become an integral part of a global initiative to solve the problems of poverty and underdevelopment.

The International Financial Institutions ((IFIs) namely the World Bank and the International Monetary Fund, particularly have failed in bringing about sustainable development and in addressing human and worker rights issues. These institutions have also failed to recognise the important role that trade unions have played in the fight against corruption and repression and in strengthening civil society -- all critical aspects in achieving equitable development and eradicating poverty.

Other key stakeholders in global governance and the setting of world economic policy, including the UN and its agencies, should also play a greater role in fighting human rights abuses, promoting sound, sustainable economic policies and improving health, education and social well-being throughout the world.

Nevertheless, the struggle for core labour standards cannot be confined to international institutions. Core labour standards form the basic building blocs of democracy and are crucial to the empowerment of people, particularly those who are impoverished or marginalized. They must be an essential part of multilateral, regional or bilateral trade and investment agreements and of all national government policies.

## **1.5 Sustainable growth and development**

Sustainable growth and development have an economic, social and environmental dimension. The program of labour's opponents has made "market forces" too influential in determining social and economic policies. The results of decades of market-driven globalisation show that markets need strong regulatory bodies and democratically-adopted rules to ensure their fair and equitable operation.

The IFIs were founded in the aftermath of the Great Depression of the 1930s, to prevent its recurrence. Financial stability and post-WWII reconstruction were their immediate goals, and in this respect they were successful. But the IFIs have failed to achieve the goal of promoting the development of the underdeveloped world.

The trade union movement has strongly criticised the IFIs for these reasons, and believes they have, in fact, contributed to worsening economic and social standards in many countries. While the liberalisation of world trade and investment has helped generate growth in some countries, such liberalisation is contributing to widening disparities between the rich and the poor, within as well as between nations.

Economic growth has been restricted due to the dominance of austerity policies - part of the so-called 'Washington Consensus', which is advocated by the IFIs, a number of policy makers, academics and much of the corporate-owned media.

To promote equitable development, the world economy needs stimulatory fiscal and monetary policies. Countries with high unemployment and stagnating demand should be adopting stimulatory budgets, including deficits where appropriate, and lower interest rates.

Governments must also ensure that the benefits of economic growth are shared equitably. Unemployment and unbalanced trade have a greater adverse impact on the well being of the world's people than inflation and unbalanced budgets.

Development and domestic consumption is constrained by high levels of foreign debt in many developing countries. The cancellation of debts in such cases is an essential part of promoting economic growth and sustainable development.

In addition, it must be recognised that foreign direct investment will play an important role in economic development. It should not be the only source of

capital, however. Bilateral and multilateral development assistance must also be increased and re-oriented to sustainable development goals.

With few exceptions, donor countries routinely fail to meet the aid targets set at international conferences although these amount to only a fraction of 1% of their GDPs.

Moreover, environmentally responsible production must be encouraged. The heedless rush to use up the world's resources and, in the process, to recklessly pollute the environment must be brought under control. Conservation, recycling, and more stringent environmental conventions must be implemented.

In doing so, it should be recognised that although developing countries cannot be exempted from the need to curb resource destruction and pollution, the lion's share of the responsibility must fall on the developed world.

These countries have accumulated mountains of 'environmental debt' in the process of industrialisation, and continue to use scarce resources at a much higher per-capita rate than developing countries. All countries in the world should implement policies that would contribute to making the goals of the Kyoto Climate Protocol a reality.

## **1.6 Financial speculation**

Financial speculation, which involves millions of transactions and the transfer of vast quantities of money around the world every single day, is also of concern to the IMF.

It is unacceptable that most of the capital circulating in the money markets is not under democratic control and is used for purposes which do not benefit the large majority of the world's population.

Moreover, these money flows have a destabilising effect on the world economy. 'Portfolio capital' is the driving force behind asset bubbles and exchange rate volatility, which increasingly plague both developed and developing economies.

The liberalisation of financial markets promoted by business, institutional investors and the IFIs is the chief factor behind this instability, and has caused huge social and economic costs in a number of countries. Financial liberalisation has led to financial crashes. As a result, decades of development gains for workers were wiped out in a matter of months and millions were plunged back into poverty.

In addition, the recent wave of corporate scandals has raised serious concern about the inadequacy of the internal control mechanism of corporations and their public accountability. Once more, these scandals have demonstrated the ability of corporate elites to enrich themselves, with scant regard for whether such behaviour is legal and consistent with longer-term sustainable development. While billions of dollars of investment went up in smoke, the

real financial and human cost was borne by working families, in terms of lost jobs, dashed hopes and ruined lives.

## **1.7 Crisis of the World Trading System**

Four years after Seattle, the collapse of the WTO ministerial meeting in Cancun, Mexico has demonstrated the inability of the international trading system to tackle the basic issue of sustainable development and address the needs of workers worldwide. It has created a crisis of confidence among the WTO's country members, while leading to questioning of the Organisation's credibility and legitimacy among the general public. The WTO's rules are widely seen as being geared towards the interests of rich countries and multinational corporations, as favouring the strong against the weak.

Unfair trade practices, including the violation of workers' rights, and the resistance of governments to incorporate core labour standards in trade and investment agreements are intensifying current strains on the multilateral system, with the risk of a backlash and a wave of protectionist reactions.

As multilateralism is losing momentum, the surge in regional trade agreements continues unabated since the early 1990s. Their total figure will soon exceed 300. There is reason to believe that the political impetus to conclude new ones will not diminish but rather increase.

This trend means not only the emergence of new economic zones but also of new political decision centres. It will affect the balance of interests in new sector and comprehensive trade negotiations.

Multilateral rules are necessary, above all for weaker players in the global system. They must be democratically agreed upon and take into account differing conditions and needs.

Trade by itself does not produce sustainable economic growth and development. Trade has the potential to contribute to development and to reduce poverty but for this to happen policies and practices have to be fundamentally changed.

GATT by reducing tariffs has encouraged trade and in some areas economic growth. However the agreements that resulted from the Uruguay round and established the WTO went far beyond mere tariff reduction to address non-tariff barriers to trade and services and added to the current imbalances in the world trading system.

These agreements can potentially include many areas vital for the conduct of national economic and social policy such as legislation on consumer, worker and environmental protection, public services, product standards, government purchasing policy, etc.

As noted earlier, violations of labour rights or environmental protection result in economic "distortions" of the terms of trade, which, in essence, are no different than the "distortions" caused by tariffs or violations of intellectual

property rights which are subject to WTO sanctions. A double standard is operating here and must be eliminated.

The WTO must be reformed to incorporate worker and trade union rights, as well as social and environmental criteria into its rules.

How and under which conditions a product is made is not irrelevant from a social point of view, nor are any harmful consequences that might arise from its trade and consumption. The precautionary principle, in particular, must be recognized in WTO rules and agreements.

WTO rules, though, must not interfere with governments' ability to implement policies, in areas such as consumer, worker or environmental protection, education, health and industrial or general economic development. WTO rules must also leave room for the protection of 'infant industries' (differential treatment), and when appropriate a variety of 'performance requirements' that governments may wish to place on investors.

A change in trade regulations affects the flow of investment, and a change in the flow of investment affects where production takes place, which then affects trade. Allowing goods to circulate and investments to be made with fewer restrictions can cause disinvestment in one region as more capital flows to another.

Fair rules for all are necessary so there is no reason to give private capital yet more rights and powers than it already has. There must be an equitable balance between the rights of investors and their obligation to sustainable development, including their agreement to enforce internationally recognised workers' rights.

As experience has shown, trade growth and economic integration per se do not automatically benefit the population as a whole. If trade agreements are to promote sustainable development and the elimination of poverty, as well as legal and social inequalities, then all groups in civil society including worker and environmental organisations, must be represented when they are negotiated.

## **1.8 Dramatic changes in manufacturing**

Dramatic developments in technology over the past decade, particularly digital technologies, have significantly changed industrial processes. Advances in digital technology have often obliterated the distinction between goods and services.

Major parts of the manufacturing process have been automated and electronics are replacing traditional components in almost all products.

Corporate restructuring is reducing workforces in metalworking industries virtually everywhere. In the late 1990s, a new wave of corporate mergers, acquisitions and alliances began its sweep through the metalworking industries leading to further reductions in employment. Outsourcing, the move to sub-

contract parts of the manufacturing process to outside companies, is a key aspect of the restructuring process. It has become an important managerial practice that affects not only production work but also higher skill occupations, including design, research and development.

Employers are introducing new employment practices involving flexible work organisation and production systems, non-standard forms of work, and the linking of pay to performance. Pressure has increased for decentralised collective bargaining as part of this 'new flexible work environment'. All of these changes have an adverse effect on the workplace rights and protections that workers have fought for and won. The increasing reliance by employers on women workers, who in many cases are not protected by unions, similarly forces down wages and working conditions.

The decline of the central role of the traditional 'blue collar worker' in economic life, and the growth of 'white collar' employment are set to continue. New industrial sectors are growing while old ones shrink, and new technologies are transforming the kind of skills needed in traditional metalworking. The changes in skill requirements resulting from the introduction of new technology, modifications in trade patterns (including growing competition from low wage countries and increased market pressures) and in work organisation will become more pronounced. This is not just an issue for unions in developed countries but also in developing regions and transition economies. All kinds of knowledge and skilled work can now be done almost anywhere and, as noted above, corporations are increasingly shifting high skill jobs to lower wage countries.

The labour movement cannot afford to ignore these shifts in the industrial landscape and the composition of the workforce. It needs to increase its organising, training and union building efforts, as well as review its national, regional and international structures, and develop organisations capable of defending the rights of workers worldwide. Unions will put their own future in jeopardy if we fail to integrate these changes in our structures and policies.

The ICT industry is a sector that requires special trade union efforts. In addition, the rapid and far-reaching spread of ICT in traditional industries poses special challenges including increased demands for training, social protection and privacy.

Government policies are needed to promote the creation of decent and sustainable jobs. Productivity and corporate cost reduction drives will result in shrinking industrial workforces and worker incomes unless:

- stimulatory economic policies and the equitable distribution of growth promote expansion in traditional as well as new industries;
- shorter working hours without reduction of pay are adopted;
- industrial policies facilitate the adaptation of old industries and encourage the growth of new ones;
- labour market policies ease the transition of workers displaced by trade and investment flows as well as ensure that workers are trained or retrained for the workplaces of the future and redeployed in new jobs;

- lifelong learning becomes a reality and investment in education and training is raised; and
- adequate social safety nets are provided.

## **1.9 Emerging Social Alliances**

Throughout the world, citizens are meeting and mobilising against the adverse effect of unbridled capitalism, deregulation and corporate abuses while calling for the promotion of democracy, human rights, and social justice. Numerous movements and networks are emerging, negotiating spaces, building broad-based coalitions and they have come to play a role in local and global politics. As economic globalisation intensifies, they are increasing their capacity to pressure for policy change in world governance.

Among these movements, the World Social Forum (WSF) has developed into a valuable platform for all those who are looking for alternatives to the neo-liberal agenda. It has demonstrated its ability to mobilise millions of concerned citizens on a global scale and attract numerous political and social actors. The forums held in Porto Alegre, Mumbai and regionally have shown that there is a window of opportunity for the world's progressive social forces to get together, not only to protest against the injustices and destructive effects of the current system, but also present alternatives that include investment in social development, environmental responsibility and a strong regulatory role for the national state.

Globalisation must be reformed and re-oriented. The Forum's process can contribute to this and help build momentum for effective, democratic and accountable global governance, working for mutual respect, tolerance and international solidarity.

The WSF also offers a useful space to reach out to other organisations, learn about diverse issues and engage in constructive dialogue with social movements. In the search for new allies, trade unions can use that space to establish links with organisations that share our fundamental values and are dedicated to sustainable development, human rights, gender equity and the protection of individual and collective rights in the economy. While pursuing that goal, our unions should ensure that we are more visible in these fora and our message is well articulated so that we have an impact and interact meaningfully with other like-minded organisations.



## 2. IMF MISSION STATEMENT

The fundamental mission of the labour movement is to improve workers' wages, working and living conditions, and to ensure that workers' rights are respected. The mission of the IMF is to work towards the achievement of these goals in the metalworking and related industries by working with its national affiliates and on the global level.

Today, the trade union challenge is to make economic globalisation serve the people of the world. National and international metalworking union organisations must provide effective support to the efforts of the wider labour movement to meet this challenge. Consequently, metalworking unions must continue to build organisations that:

- have the capacity to participate in concerted national and international actions, and
- have the political influence and resources to make significant contributions to the attainment of our global tasks.

The IMF, working with other trade union organisations, will:

1. Build a stronger labour movement by
  - developing global structures;
  - improving our communication and understanding of critical issues;
  - organising new members and setting up democratic workers' unions throughout the world;
  - strengthening existing trade unions;
  - creating a more unified metalworkers' movement;
  - advancing workers rights;
  - strengthening the rights of women workers.
2. Ensure that internationally recognised Core Labour Standards (CLS) are applied in every country, and are implemented in agreements on global, regional and bilateral trade and investment.
3. Develop and rigorously pursue a programme to foster economic growth, protect the environment, and improve social conditions. When labour is strong there is sustainable economic growth and all share in the wealth generated.

4. Ensure that enterprises, national governments, and the world's institutions of governance give priority to women's rights, interests and representation. New structures must be created within the IMF to monitor the effective development in the implementation of women's rights, representation and organising strategies in all regions.
5. Where appropriate, build alliances with political and social organisations nationally and internationally to achieve these objectives and weaken the power of transnational corporations.
6. Promote fair trade, social justice and the elimination of poverty.

## **3. IMF ACTION PROGRAMME**

### **3.1 Global structures to meet global challenges**

The IMF already provides an international platform and co-ordinates global campaigns on behalf of its affiliates. But its structure needs to be improved further in order to meet the challenges facing unions.

It is crucial that the IMF continues to build a global union structure capable of co-ordinating and implementing actions at all levels anywhere in the world, wherever and whenever they are required.

It is imperative that these changes to our structures are carried out as rapidly as possible and involve everyone in the organisation from the presidents of national unions down to the individual members.

Even the day-to-day work of trade unions needs to be globalised so that every action at all stages links the local and international levels. It should be transparent to all in the organisation that every single action can, and does, influence working conditions elsewhere.

To provide the regional and global structures required to challenge the growing power of international capital, it is critical that IMF affiliates are actively involved and committed to achieving this goal.

#### ***3.1.1 International trade union organisations***

The industrial landscape is continuously changing and divisions between historic industry sectors are blurring, particularly with the introduction of new technologies and manufacturing processes.

The IMF will continue to work with other Global Union Federations (GUFs), the International Confederation of Free Trade Unions (ICFTU), and the Trade Union Advisory Committee to the OECD (TUAC) to pursue the interests of its affiliates and to deliver the objectives of its Action Programme.

As industry sectors merge, the trade union movement needs new structures at the international level.

The IMF will actively pursue closer cooperation with other GUFs and we will together develop strategies to build a stronger, more united, responsive and efficient labour organisation at the national and international level that is able to stand up to the global power of transnational corporations.

Areas of cooperation will include:

- information and Communication Technology (ICT) initiatives;
- TNCs related actions, and reporting on the industrial relations and environmental practices of TNCs;
- core labour standards;
- analysis of trade and investment agreements and government negotiating positions for their impacts on workers;
- joint union-building projects; and
- building up appropriate structures to respond to concrete needs.

### **3.1.2 IMF country councils**

In countries where there is more than one IMF affiliate, trade unions should always strive towards unity and the building of one strong, united metalworkers' organisation.

To facilitate this, the IMF encourages its local affiliates to establish country councils to:

- encourage co-operation between the unions;
- mediate disputes and inter-union rivalries;
- build unity between unions in the core areas of collective bargaining, education and organising the unorganised.

Country councils have been set up in a number of countries during the past Congress period and accomplished valuable work. Efforts must be pursued to consolidate this work.

### **3.1.3 Information network**

In an increasingly complex and global environment, information plays a vital role in the interplay between employers and trade unions, as well as inside trade unions.

In their day-to-day activities, whether formulating wage demands or drafting social and economic policies, trade unionists require rapid access to up-to-date economic, corporate structure, and industrial relations information.

The IMF will initiate the construction of information networks between affiliates, with special attention to TNC-related structures and regional sector-based conferences.

IMF World Councils and Action Groups, for example, must establish communication channels to enable them to link members in-between

meetings, quickly process requests for information and coordinate information coming from the national and regional levels.

### **3.1.4 The IMF communications system**

Effective information systems require a rapid and simple means of communication.

The voice of the IMF and its affiliates needs to be heard – whether lobbying for social and economic reforms or supporting workers whose rights are violated. Rapid exchange of accurate information is a key aspect of international solidarity and successful campaigning. In this regard, the IMF and its affiliates must improve their capacity.

One important aspect of this work is to strengthen the legitimacy of international trade union work amongst rank-and-file members and trade union activists at different levels. Affiliates' communication channels are vital in this regard. Moreover, the IMF will continue to arrange meetings for trade union journalists and communication officers, as a way to strengthen cooperation and exchange information.

The Internet has revolutionised communication and the IMF multilingual website and its e-mail newsletter are its main communication channels. At the same time, it is important that the IMF is not disadvantaging those who do not yet have access to the internet. Therefore, the IMF will continue to make information available via traditional means and advise affiliates that want to set up digital communication channels.

The IMF will continue to produce a quarterly magazine to keep members abreast of developments in the metal industries and provide in-depth analysis of key issues, and to publish occasional research documents and reports to assist members in their day-to-day trade union activities.

To be able to improve its overall communication, the IMF as an organisation must develop a coherent communications policy, laying down responsibilities and guiding principles.

## **3.2 Strategies to engage transnational corporations**

The political reform of the globalization process must include binding regulations for multinational corporations, which must recognize their social, ecological and human rights responsibilities and obligations, and reflect these in their actions. The objective must be the creation of legally binding international regulations with effective enforcement and sanction mechanisms. International framework agreements are important instruments in this direction.

At the same time, IMF actions to engage transnational corporations (TNCs) will continue to focus on building and maintaining solidarity among trade unions and workers across the global production chains of metalworking companies and industries. Such solidarity is fundamental to overcoming the

challenges of today's corporate-driven globalization and market competition that pit workers and communities against one another. These forces, if not effectively countered and changed, threaten to undermine the jobs, living standards, working conditions, and social protections of metalworkers and their communities around the world.

### **3.2.1 Building and strengthening links across TNC production chains**

The IMF will continue to strengthen links between unions representing workers across TNC production chains through IMF World Company Councils and action groups, with sector-based coordination through activities of the IMF Industrial Departments. As part of this effort, the IMF will work with unions in the home countries of transnational corporations to assist host country unions to obtain information and consultation opportunities similar to those in the home country.

IMF World Councils have played an important role in defending workers' interests across national boundaries. We will carry on efforts to remake IMF World Company Councils into smaller permanent working bodies that are company funded, and so better able to:

- respond to urgent requests for action;
- develop and implement joint strategies;
- co-ordinate actions with regional worker representative bodies (e.g. the European Works Councils).

IMF regional sector-based meetings support the remaking and strengthening of World Company Councils, as well as building industrial union coordination, by effectively combining company and sector-level forums for workers. Where appropriate, company- and sector-based regional networks will be developed in support of strategies to engage TNCs.

Organizing the unorganized across TNC production chains is an important focus of IMF councils, action groups and regional sector-based meetings. Union building opportunities will be identified and activities developed where TNC investments have created newer or growing concentrations of workers (including supplier operations), and where conditions exist to support union building efforts. The active involvement and effective support of IMF affiliates and especially unions in the home country of TNCs are necessary to effectively advance such efforts.

Organizing initiatives must also address the spread of non-union operations in countries that have strong existing unions. Many companies have refused to accept unions at new plants in countries where they have been active for years or in countries that are new to them. Efforts to ensure that these facilities become unionised are critical to maintaining and restoring the strength of IMF affiliates and a critical task for the IMF.

Among the critical challenges that increasingly impact workers across TNC production chains are outsourcing, the spread of precarious work and EPZs. The burden of their impacts often falls most heavily on women metalworkers. The IMF will seek to respond as part of a strategy to engage TNCs by using international framework agreements, ILO conventions, the OECD Guidelines on Multinational Enterprises, and other means of international solidarity, and by working in alliance with select NGOs that share our aims to protect and promote worker and trade union rights.

However, effective trade union organisation is an essential component. Without effective unions, workers' rights, including those enshrined in core labour standards and international framework agreements, cannot be effectively monitored and implemented.

### **3.2.2 International Framework Agreements (IFAs)**

The IMF and its affiliated unions utilize a range of mechanisms to engage TNCs operating in the metalworking sectors. Among the most important are the negotiation and implementation of international framework agreements.

Every IMF member union undertakes to attempt to conclude international framework agreements with multinational corporations headquartered in their countries.

The IMF, which has adopted a model International Framework Agreement and a policy paper on negotiating and implementing IFAs, has successfully negotiated such agreements with TNCs in several metalworking sectors. The IMF will seek to further this progress through the following actions:

- negotiating additional international framework agreements, drawing on our experience and results thus far and utilizing the IMF model agreement;
- after consultation with unions covered by the agreements, the IMF will identify opportunities to strengthen existing agreements, and what options and means are optimal to pursue possible improvements;
- mechanisms for monitoring and implementation towards compliance will be built and further developed through IMF structures and regional offices, through training and the involvement of affiliates, with the aim of achieving best practices across TNCs that have signed framework agreements;
- the IMF will explore possible strategies designed to encourage resisting TNCs to negotiate and/or implement international framework agreements. Cooperation of affiliates, and particularly those in the home country of a TNC, would be instrumental to such efforts.

### **3.2.3 Other mechanisms to engage TNCs**

Potential leverage to engage TNCs is also available to unions in some countries through workers' capital in the form of pension and retirement funds. IMF affiliates are also involved in efforts to influence corporate governance that

vary from one country to another. These tools are most effectively used by unions in the home country of TNCs in order to promote and protect worker and trade union rights across global production chains, to fight corporate corruption, and to push for greater social accountability by corporations. The IMF will continue to work through TUAC and the ICFTU to further strengthen these mechanisms.

Facilitating the exchange and sharing of information on company strategies, union responses and outcomes are necessary and effective means to fully engage TNCs. Through IMF councils, action groups and regional sector-based meetings, we will continue to develop networks for information exchange and action that aim to be efficient, timely, accurate and accessible. Technical and political support by IMF affiliates is needed to build and strengthen networks and for successful international coordination of information coming from the national and regional levels.

The IMF will continue to gather, analyze and distribute information on the metalworking industries, with particular focus on companies and industrial sectors where workers and members are concentrated. Areas covered include collective bargaining; technological changes; innovations on how production is organized; working time; pay and classification systems; and industrial actions. Whenever possible, these and other joint research activities should be done in cooperation with the EMF and other GUFs, and fully utilize resources of the ILO, UN and other international agencies.

### **3.3 Solidarity and organising**

#### **3.3.1 *Collective bargaining***

Collective bargaining is the core activity of trade unions and remains the best instrument for regulating the relationship between employers and workers and solving problems at the workplace. Its impact in fact goes beyond the workplace and affects the living conditions and the development prospects of communities. Collective bargaining should be increasingly used as a tool for trade unions to engage with communities and promote the broader interests of workers as citizens and consumers.

However, over the past decade the trade union movement has been under attack by employers and their allies who are determined to weaken the effectiveness of collective bargaining and thereby weaken the union movement. In particular, employers are eager to eradicate national, sectoral, and sometimes even enterprise-wide collective bargaining. Using the threat of outsourcing production and services, they are also pushing for more flexibility and concession bargaining. New forms of employment and work practices are being imposed on employees, increasing stress and insecurity. In developing countries, foreign investors are demanding regulatory changes that totally disregard the development dimension of such measures.



The response to these attacks by the IMF and its affiliates must be resolute.

The IMF will work with affiliates to ensure that collective agreements continue to provide a framework to ensure decent wages and working conditions in keeping with existing national practices. Such agreements are the basis for a decent standard of living for the members of IMF affiliates.

Through improved information exchange and international solidarity campaigns, the IMF will increase its efforts to assist its affiliates in bargaining on wages and working conditions, but also on outsourcing, job security, work organisation and the host of other issues associated with corporate restructuring. To this end, the IMF will

- co-operate with the EMF and work towards establishing a global collective bargaining information network, drawing on the experience with the Eucoba's network;
- organise seminars/workshops on specific bargaining issues, such as working time, flexibility, life-long learning, new work contracts, outsourcing, etc.

The IMF is particularly concerned by the effect new technologies are having on the skills required in the metalworking industry. The IMF will coordinate pressure on employers through collective bargaining to ensure that worker skills are upgraded to prevent skill shortages and needless layoffs.

### **3.3.2 Union-building and education**

#### **3.3.2.1 Building strong unions**

Workers can get their voice heard only if they are organised into strong, representative and democratic trade unions. For the IMF the task of promoting organising efforts as well as gathering existing metalworkers' unions under the banner of the IMF is a high priority.

IMF will promote union-building by coordinating and supporting projects and by providing advice to its affiliates on issues such as organising strategies, union structures, equal rights, strategic planning etc. This is especially the task of IMF Regional and Project offices.

#### **3.3.2.2 Training the members**

The IMF will contribute to union education carried out by its affiliates where the education tackles core union activities such as collective bargaining, organising and defending workers' rights, links local to global issues, and is methodologically sound.

However, worker education needs are best met by the trade unions themselves.

The IMF will work with affiliates to build the skills and resources required to meet their own education needs by providing training and materials for groups of educators selected by the local trade unions.

### **3.3.2.3 Unions that can be supported**

The IMF will provide assistance to trade unions that:

- are committed to activities leading to self-reliance;
- have established their own priorities and identified their needs;
- are working in accordance with the IMF union-building policy;
- are building union structures that respond to workers' needs locally and internationally and that include women at all levels;
- are able to organise activities or are prepared to closely co-operate with the appropriate IMF regional office to organise such activities and
- are building union structures that are democratic, not dominated by political parties and are independent of employers;
- are ready to co-operate with other IMF unions at local, national and international level;
- are subject to persecution by repressive governments.

### **3.3.2.4 Projects that can be supported**

The IMF will provide resources and financial aid for union building projects that:

- build organisations independent of employer and government control;
- enhance democracy within the organisation and encourage and enable members, particularly youth and women, to take part in the activities of the organisation. Projects should contribute to eliminating political, racial and gender discrimination;
- increase the capacity of the organisation to carry out its own core union activities, i.e. build self-reliance, particularly in the area of education;
- strengthen solidarity inside the organisation, among unions in the country and/or region, and inside the IMF;
- support independent trade unions confronting and fighting repressive governments.

IMF Regional and Project Offices will work with affiliates to identify and assess their organisational needs and assist in the development of projects and activities to meet these. To ensure resources are efficiently deployed, the IMF will seek to co-ordinate activities across member organisations.

To make sure these projects meet their declared goals, regional and head office staff need to have the skills to manage the planning, reporting and review process of these activities.

### **3.3.2.5 Changing work**

The organization and techniques of production in the metal industry are undergoing dramatic changes. Technological change is accompanied by changes in work organisation; certain professions are disappearing, and some workers' skills are in danger of becoming obsolete. In addition to emphasising job security, trade unions should ensure access and opportunities through collective bargaining to lifelong learning for their members and other workers instead of narrow skills often limited to one work process, and be involved in working out the appropriate training policy and programmes.

IMF will launch a process for its affiliates to discuss the issue, learn from each other and adopt best practices in order to better safeguard the right of their members to develop and maintain their skills.

### **3.3.3 Equal rights**

The IMF believes that all workers should enjoy equal rights irrespective of their sex, age, nationality, ethnicity, sexual orientation or religion.

The challenge to improve the levels of unionisation of women and young workers in order to protect their rights is one of the greatest we face as a union movement.

Vast numbers of women continue to enter the labour market throughout the world. In developing countries, women are the primary labour force in EPZs, in many of which trade unionism is repressed. The vast majority of women are not organised at all, particularly those working for small and medium-sized companies. The IMF will ensure that women workers are given priority in campaigns to organise the unorganised, with a focus on EPZs and small and medium enterprises.

The rights of women workers continue to be abused. IMF will promote improved legal protection for women workers, including maternity protection and equal pay. It will work with affiliates to ensure that women participate directly in collective bargaining and that bargaining is used as a mechanism to improve women's rights.

Women's representation at all levels of trade union organisation is still too low. Few women hold positions as union officers even where they are a majority of the membership. The IMF has taken steps towards improving the level of participation within the organisation and will continue to redress this imbalance. Goals will be set for women's participation in IMF activities and meetings, which will contribute to the strengthening of IMF structures. IMF will encourage its affiliates to examine union structures and electoral processes to remove barriers to women's representation.

The IMF will also give priority to extending legal protection in all facets of collective bargaining, organising and other issues related to internationally recognised labour standards, to all workers who are subject to any form of discrimination.

### **3.3.4 The right to safe working conditions**

Health is a worker's most basic asset. Therefore defending and promoting health and safety at work is a fundamental trade union task that all IMF affiliates should include at the top of their agendas. Although the physical workplace environment has improved considerably during the course of the last decades, too many people still die from injuries and illnesses caused by accidents and exposure to dangerous working conditions.

According to ILO statistics, millions of workers lose their lives every year at work. And this is only the tip of the iceberg. What we can neither see nor account for are the many deaths from disease, such as cancer, resulting from exposure to chemical hazards and substances.

Working hours as well as the pace of work are two important factors that can affect health and safety conditions of workers. Fatal and injurious accidents at the work place as well as psychosomatic diseases are closely connected with long working hours and the high pace manual and non-manual workers are expected to work. This is also directly linked to the way production is organised. Work organisation and health and safety are two issues that IMF will continue to focus on in its activities.

With the introduction of new technology, computers and automation, new hazards are affecting the health and well-being of workers. Stress and poor psychological working conditions are often a serious health hazard, especially in non-manual occupations. This particular matter has been discussed at various IMF activities and has been a matter for research in an international project.

Prevention is the best way to ensure that workers do not suffer from an unhealthy workplace, so measures to this effect must be our priority. Preventive action must be based on adequate national legislation. ILO conventions and codes of practice must be incorporated into national legislation and collective bargaining agreements. However, the health and safety of workers does not depend exclusively on working conditions. There are other factors such as the environment outside the workplace, which might cause additional problems for workers.

The international trade union movement must work at different levels in order to ensure that existing rules and norms are implemented and respected, such as ILO Convention N°155 on Occupational Health and Safety and the Working Environment and Recommendation N°164 on Occupational Health and Safety, as well as the numerous codes of practice.

The IMF will:

- work together with the ICFTU, TUAC and Global Union Federations to put pressure on the ILO to educate and inform employers, governments and trade unions about existing legislation on health and safety at work;
- start comprehensive training programmes on workplace health and safety for instructors, who will then teach and train stewards at plant level;

- continue working to ensure that health and safety committees at plant level are set up in all workplaces with elected or appointed trade union health and safety representatives;
- address occupational health and safety at meetings of world company councils;
- continue to fight for shorter working time.
- Campaign for a ban internationally on the production, import, export and use of asbestos. Treatment and compensation for workers suffering from asbestos-related diseases should be borne by employers. Pressure should be put on national governments to implement transition programmes for workers displaced by the banning of asbestos.

### **3.3.5 *International solidarity***

In the age of economic globalisation the mobility of capital and the cutthroat competition for attracting investment are exacerbating tensions between and within countries, and are undermining labour solidarity. Under the threat of outsourcing/offshoring, corporations are seeking to remove or weaken hard won benefits and rights, and pit workers against each other, leading to a race to the bottom with lower security and incomes.

Workers in all countries have the right to economic and social development, which capital flows can help achieve, and they all have a common interest in the upward harmonisation of terms of employment. Trade unions must build better understanding of the forces at play and strong solidarity if we are to counter the growing competition in the labour market, which is beneficial only to the interests of capital.

The IMF needs to do more to focus on support for national development strategies. That, in turn, means unions in the South must engage with the state, rather than just capital. It also means that the IMF, through its affiliates, must increase pressure on the states of the North to stop countering development efforts in the South, whether directly or through the WTO and the International Financial Institutions.

International solidarity actions in support of social achievements, workers rights, organising and collective bargaining are more important than ever. For these to be effective, unity and solidarity between workers and between unions at national and regional levels are indispensable and, to that end, the IMF and its affiliates should consider various forms of cross-border collective actions.

The IMF must continue to improve its speed and efficiency in responding to calls for solidarity actions - circulating information as quickly as possible to affiliates and requesting their support. IMF support will include assistance in campaigns to counter transnationals' attempts to relocate production without adequate consideration of the impacts on their workforce in all parts of the world.

To enable the IMF to provide timely support, affiliates are therefore expected to furnish comprehensive information on the dispute, outline efforts taken to resolve it nationally, and the support they expect the IMF to deliver.

### **3.3.6 Organising the unorganised**

Of the estimated 70 million metalworkers around the world, less than a third are members of affiliated unions.

In the early stages of this new century, the challenge of organising the unorganised is as important a task for the labour movement as it was in the 20<sup>th</sup> century.

The movement of factories to 'low-cost' areas where union activities are restricted or even suppressed, and the shortcomings in union communications with young people, non-manual employees and women workers, make this challenge all the more pressing. Unions need to seek new ways to reach out to these workers who often know little about unions or do not see their interests represented by unions and so are less motivated to join.

In the past decades, TNC investment has flooded into EPZs in which wages and working conditions are low and workers' rights are routinely violated. Women are often favoured for EPZ employment, where generally it is difficult to organise, and they are forced to accept the lowest wages and conditions. This development not only threatens employment in countries with higher standards, including other developing countries, but also undermines sustainable development by depriving the EPZ workers of an equitable share of the gains.

Furthermore, although the backbone of the trade union movement has traditionally been 'blue collar workers' in large manufacturing plants, the IMF and its affiliates cannot afford to ignore small and medium enterprises or the hi-tech industries, and hi-tech workplaces in traditional industries. Neither can we ignore the changes in the composition of the workforce brought about by the structural and technological transformation of metal industries, and the fact that non-manual workers represent an increasing share of the labour force.

The "Hi-tech" sector has a number of special characteristics, which demand a strong effort from the IMF. Activities must be expanded and intensified and directed at workers at all levels of the companies concerned. In this context, efficient co-ordination must be ensured between the relevant IMF departments.

No matter how small the company or whether manufacturing steel or computer chips, the IMF believes that all workers should enjoy the rights and benefits brought about through membership in trade unions.

Organising remains a basic task of all IMF affiliates and organising drives can only be carried out by unions themselves. However, the IMF can help support and, when appropriate, coordinate organising activities of its affiliates, and provide a forum for exchanging information and experience.

Organising efforts will focus in particular on:

- EPZs where workers' rights are regularly trampled and exploitation is a daily reality;

- small and medium-size enterprises (SMEs), particularly where part of the production process in an organised workplace has been contracted out;
- hi-tech companies, with special emphasis on companies that provide technological components for products produced by members of IMF-affiliated unions;
- companies' up- and down-stream in the production process whether dealing with research and development, design, providing parts, raw materials or distribution;
- women, young people and non-manual workers. Concerning this latter group, the IMF and its affiliates will follow up the policy paper adopted by the IMF Executive Committee in May 2004, which set a number of goals and recommendations for future work. Greater emphasis must be placed on making unions useful and responsive to the concerns of these workers who represent an increasing share of the labour force but are weakly organised;
- support to affiliates' efforts to bring about changes in legislation providing for and protecting the right to organise and collective bargaining.

This work must be coordinated with efforts to unionise workers at TNC-related companies that have IMF structures. Non-union operations of those companies, whether they are new plants or outsourced production from unionised facilities, must be an organizing priority for the IMF.

### **3.4 A social dimension to economic globalisation**

The IMF will continue to mobilise its membership on international, regional and national levels around all issues that affect workers.

While working with its affiliates on workplace issues, the IMF will also continue to pursue economic, social and human rights - issues with broader relevance to the trade union movement.

To win the struggle for a better and more equitable society we will need to draw in support from other organisations sharing similar goals and ideals.

An impressive mobilisation against globalisation that favours only the TNCs has developed since our last Congress, indicating that people around the world are concerned at the impact that globalisation is having on workers, in particular in developing countries. This social movement is increasingly moving its focus from mere protest to the search for alternatives and the definition of strategies.

The global labour movement must be part of that process and make workers' voices heard.

The IMF, together with other trade union organisations, has been interacting with NGOs and social movements. The World Social Forum has provided, during the past Congress period, an important framework for establishing fruitful exchanges and alliances.

In seeking a social dimension to globalisation, the IMF will strive to further promote dialogue and cooperation with other groups that share its aspirations and fundamental values, and take the lead in specific campaigns. Priority areas for such co-operation will be: the promotion of human and trade union rights; the organisation of workers in unprotected and unregulated employment; initiatives to favour environmentally sustainable production; and the democratisation of the institutions of global governance.

### **3.4.1 Fundamental labour rights**

The adoption by the International Labour Organisation (ILO) of the Declaration on Fundamental Principles and Rights at Work in 1998 and the Decent Work agenda in 1999 marked critical milestones for workers' rights and the promotion of quality employment.

However the promotion of the ILO Declaration is not enough to avoid the risk of a race to the bottom in employment conditions. Special efforts are required to ensure that the fundamental rights included in the Declaration are effectively recognised for all workers, irrespective of nationality, countries' economic conditions and of the ratification of the relevant Conventions by each country<sup>1</sup>. Migrant workers in particular need to be protected against discrimination in law and practice.

The IMF and its affiliates will continue to support actions at national and international levels for:

- the drafting and adoption of labour legislation implementing the ILO Conventions by all national governments;
- the inclusion of internationally recognised Core Labour Standards, including the rights to organise and bargain collectively, in trade and investment agreements;
- their adoption as system-wide principles, policy guidelines and rules of all multilateral institutions of global governance, in particular the World Bank, the International Monetary Fund and the World Trade Organisation;

Regulation and collective bargaining are the most important tools to ensure that employers meet their social responsibilities in the global economy; these must include the social, environmental and human rights effects of corporate activity.

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<sup>1</sup> These ILO conventions include:

- Freedom of association and the right to organise (convention n° 87);
- Collective bargaining (n°98);
- Elimination of all forms of forced or compulsory labour (n°29&105)
- Abolition of child labour (n° 138&182) and
- Non-discrimination in respect of employment and occupation (n° 111) and Equal Remuneration for work of equal value (n°100)



The IMF will continue including in its educational programmes and in publicity materials the promotion of its goals with respect to fundamental labour standards.

### **3.4.2 A new international architecture**

The present weakness of the institutions of global governance is clear. While the new international architecture called for, among other organisations, by the labour movement is far from being established, the multilateral system is showing the weakness resulting from its structural imbalances. Institutions of finance and trade dominate, while those for development, the environment, social issues and labour play a minor role. The achievement of peace and justice for workers and all citizens requires internationally agreed democratic rules, and strong, legitimate institutions to implement them. For this to be possible, all organisations of the multilateral system must be transparent and accountable to their entire membership, and committed to genuine development goals that benefit workers and people everywhere in the world. Policy coherence must apply to the whole system and the compliance of member country Governments has to be constantly scrutinised.

The report of the ILO's World Commission on the Social Dimension of Globalisation provides an important opportunity for the ILO to play a leading role in the democratisation of global governance. The report denounces economic and social imbalances that are ethically unacceptable and politically unsustainable, and clearly indicates the linkage between fair employment conditions and sustainable development. The Commission's report stresses the need for decent work to be made a global goal and be pursued through coherent policies within the multilateral system. The IMF together with its affiliates will support initiatives by the ILO to address the investment, development and employment policies of the IFIs, UNCTAD and the WTO.

Workers need to be mobilised so that trade unions can play a key leadership role in the indispensable process of democratic reform of the multilateral system. The IMF, together with its affiliates, will continue campaigning at national, regional, and international level, calling for an integrated approach to development issues and new regulatory and participatory mechanisms in global governance. The reform of the global institutions of governance must ensure that:

- their rules and policies reflect policy guidelines oriented to sustainable development;
- transparency in their procedures and democratic consultation of representative social actors and movements are key aspects of policy formation;
- the International Labour Organisation is given a key role in global governance and its views are integrated in the decision making and dispute resolution process of organisations of the multilateral system, particularly trade and financial institutions;
- environment, labour and social standards are incorporated in international agreement conditionalities;

- democratic rights, accountability, participatory democracy, and human and workers' rights provide the system-wide framework of rules of policy formulation and implementation for all multilateral institutions.

### **3.4.3 Economic, financial and trade policies to benefit the world's people**

The tight economic and fiscal policies being followed by national governments and supported by the International Monetary Fund and the World Bank do not benefit workers and are proving detrimental to sustainable development everywhere in the world.

The IMF has been discussing thoroughly an alternative economic programme emphasising growth, social wellbeing and employment rather than restrictive monetary policy and budget balancing.

This process culminated in the presentation of the paper "*IMF Strategies for an Alternative Globalisation*" at the IMF Central Committee in December 2003 that proposes strategies for the implementation of an alternative economic programme. It addresses action to be taken by IMF at the global and regional level, as well as the responsibilities that IMF affiliates have to undertake at the national level.

Reaching our goals requires a new approach and a coherent overall strategy to be implemented in close collaboration with other organisations of the international trade union movement and with social movements that share our fundamental democratic values and aspirations. Human and worker rights and participatory democracy are indispensable enabling elements of a programme for equitable and sustainable growth and development; this needs to be based on four pillars:

- *Job creation and purchasing power*
- *Debt cancellation and development assistance*
- *Regulating capital movements*
- *Reform of the global institutions of governance*

The implementation of alternatives to market- and corporate-driven globalisation requires the mobilisation of our forces together with the international trade union movement and allied organisations of civil society. Strategies and tactics must include:

- *A direct approach to TNCs* in which collective bargaining must have the fundamental role. The IMF, together with other GUFs, has a special responsibility to prevent initiatives by TNCs in the area of "corporate social responsibility" – merely cosmetic in most cases – from undermining existing binding rules. Collective bargaining, particularly the negotiation of international framework agreements, remains the most effective way to

ensure workers' rights and the consideration of social and environmental concerns.

- *Mobilising for effective lobbying.* For lobbying to be effective it has to come after mobilisation and in conjunction with alliance building. Unity in the labour movement and the importance of collective bargaining need to be emphasised. Our tactics must address coherently the national, regional, and global levels, with mutual support between international trade union organisations and allied social movements.
- *National affiliates have a key role to play* by formulating and promoting alternatives primarily within their countries, according to each country's prevailing conditions. Their most important task is to prepare concrete means to move from a critique of neo-liberal globalisation to the implementation of alternatives that move Governments towards the policies outlined above. IMF affiliates should work closely together with national trade union centres. Country-specific mobilisation plans should include policies to be implemented as a national priority, identification of potential allies, information for and mobilisation of union members, and alliance building.
- *The principal tasks of the IMF Secretariat* will be to assist its affiliates and cooperate with the ICFTU and the other GUFs. A key priority will be to unify GUF positions on globalisation and ensure that mobilising and alliance building become top priorities for the international trade union movement. For this purpose it is essential that the IMF and like-minded GUFs make concrete proposals for mobilisation at the global level and for joint activities with selected social movements.
- *IMF regional structures* will work to influence economic agreements that are negotiated at regional level, between regions or countries. Appropriate education and alliance building activities must be undertaken, with the assistance of IMF Regional Offices or the IMF Secretariat.
- *At world level* a key task for the IMF will be to cooperate with other GUFs in dealing with TNCs to engage them in social dialogue and negotiate, monitor and implement IFAs.

The IMF will work together with its affiliates, in cooperation with other organisations, for the policies outlined above to be coherently implemented at all levels. Renewed solidarity is required against the policies of TNCs and their allies in Government that result in pitting metal workers against one another and undermine employment security for all. The IMF, together with its affiliates, will promote dialogue and the search for solutions in particular towards critical trade issues.

Trade by itself will not produce economic growth and sustainable development, but it can contribute.

For this to be possible, expansionary economic policies need to be implemented. Trade policies and the export oriented recipes promoted by the international financial institutions that have failed to benefit the great majority

of people in the developing world must be urgently reoriented towards genuine and coherent development goals.

Until trade and investment agreement negotiating agendas address the needs of workers, the IMF and its affiliated unions should oppose the continuation of bilateral, regional and multilateral trade negotiations that are designed to promote the interests of corporations and their allies at the expense of workers and citizens.

Trade policies must include provisions for effective special and differential treatment for developing countries and improved access to markets in the developed world. International and regional trade agreements must be subordinated to multilateral environment agreements (MEAs), and must guarantee the fundamental human needs and rights to food, water, health and education through the protection of vital public services and of the right for governments to determine national economic policy. Trade distorting subsidies should be eliminated. Social norms, including labour standards, must be incorporated in trade rules.

All this is impossible without a radical reform of the WTO. Its undemocratic decision-making procedures need to be changed if it is to become really transparent and inclusive. Events in the last few years have proved that the democratic deficit of this organisation is dramatically undermining its own effectiveness as well as the credibility of the whole multilateral system. While the Governments of its most powerful member countries seem to be unable or unwilling to address this crisis, new actors from the developing world are taking important initiatives. These focus, on the one side, on the urgent need for a democratic review of rules and practices of decision making; on the other, on trade issues of critical importance for sustainable development, especially agriculture.

The IMF together with its affiliates will contribute to this process by promoting dialogue, including with Government counterparts, on the social, employment and development impact of trade. Workers need to be mobilised, first of all at national level, for this struggle for democracy.

The IMF will assist and support its affiliates in this effort, and will act together with other international labour organisations and progressive organisations for the achievement of the objectives indicated above.