

INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS (ICFTU)

A TRADE UNION GUIDE TO GLOBALISATION

(SECOND EDITION)

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<http://www.icftu.org/pubs/globalisation>

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close cooperation with the GUFs and TUAC.

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FOREWORD

The impact of globalisation is ever more evident to trade unionists in all countries and in all sectors. The increasing integration of national economies in a single global market and the appearance of new world production systems are bringing about a convergence of national and international trade union agendas.

Trade unions face the double challenge of representing workers effectively in the rapidly changing conditions of the global economy, and of bringing about fundamental change in the workings of globalisation so that it distributes its benefits more fairly and contributes to socially just and sustainable development.

This “Trade Union Guide to Globalisation” aims to help trade unionists to participate actively in the urgent task of meeting these challenges. It sets out the meaning of globalisation for working people, describes the role and potential of the major actors in the global economy, and focuses in particular on the structures, campaigns, and policies of the international trade union movement and how international solidarity can make the difference.

The publication of this revised edition of this Guide responds to the demand from trade unionists – reflected in the success of the first edition – for clear and practical information on globalisation and the world of work. Its success will be measured by the extent to which it contributes to building stronger global trade unionism and its task of promoting workers’ rights and interests and human dignity in a fairer global economy.

A handwritten signature in black ink that reads "Guy Ryder". The signature is written in a cursive style with a large 'G' and 'R'.

Guy Ryder
ICFTU General Secretary

November 2004

INTRODUCTION

This guide is intended for use in trade union education and as a reference book for trade unionists involved in international work. It is also written to help leaders and members of national and local trade unions discuss issues related to globalisation. In this sense, it is intended as a tool for integrating the international dimension into trade union work.

The guide is divided into two parts. Part I considers the implications of globalisation for trade unions and describes the international trade union movement, as well as the International Labour Organisation. It examines some of the main objectives of the international trade union movement, including the defending and promoting of trade union rights and labour standards, as well as the building of an international framework for economic and social justice.

Part I continues by considering the challenges of multinational enterprises. It concludes with a chapter on the social responsibilities of business and contrasts these with the new concept of corporate social responsibility (CSR).

Part II is devoted to the practical implications of meeting the challenges of globalisation for all trade union organisations - whether they are local or national unions, or national centres. It stresses the importance for these trade unions to join and participate in the appropriate international trade union organisations, with a special emphasis on the role of Global Union Federations (GUFs). It considers the experience of trade unions in giving and receiving international solidarity, as well as the importance of gathering and sharing information about multinational enterprises (MNEs).

This part also looks at how trade unions can engage multinational enterprises at the international level. It considers the possibilities for international social dialogue, including framework agreements between GUFs and MNEs. It ends with a chapter on trade union campaigns with an international dimension.

MNE (multinational enterprise) is the term used in this guide. Another widely used term is transnational company (TNC). An MNE is a company that owns or controls production or service facilities in at least two countries.

This guide was originally published in 2000. This is the first revised edition.

GLOBALISATION AND SOLIDARITY

I. THE MEANING OF GLOBALISATION

Globalisation is a degree of interdependence that goes far beyond simple expansion of international trade, the main indication of the internationalisation of the economy in the past. It includes integration of production across national boundaries with significant increases in international investment by multinational enterprises. The production of automobiles, for example, which for nearly a century was concentrated geographically and at national level, is now done at a global level, with cars often being assembled from component parts that are produced by large numbers of supplier companies in dozens of countries. General Motors had, in 2003, a global presence in more than 190 countries, manufacturing operations in 32 countries, and tens of thousands of supplier companies worldwide, in total employing 340,000 people.

Globalisation is not just a change in production and supply relationships. It is also affecting the service sector. Delivery and sale of both private and public services, although still more adapted to local markets and conditions, are increasingly coming from multinational enterprises.

Another very typical aspect of globalisation is the extensive and complex network of suppliers that often exists. This even leads to situations where a company is sometimes no longer able to trace the products it sells, or parts of it, back to its origins.

Globalisation also means unprecedented rapid and massive movement of financial capital. This interdependence and integration is facilitated and accelerated by new technology, particularly information technology (IT), even though this is not spread out evenly across the world.

Although globalisation is linked to a number of technological and other changes, which have helped to link the world more closely, there are also ideological elements that have strongly influenced its development. A “free market” dogma has emerged which exaggerates both the wisdom and role of markets, and of the actors in those markets, in the organisation of human society. In spite of the fact that this ‘free market’ ideology has had its fair and increasing share of criticism over the last few years, it still seems to be going strong and there is a continuing need for it to be challenged. Fashioning a strategy for responsible globalisation requires an analysis which separates that which is dogma from that which is fact. Otherwise, globalisation is an all too convenient excuse and explanation for anti-social policies and actions that undermine progress and break down community.

Globalisation as we know it has profound social and political implications. It can bring the threat of exclusion for a large portion of the world’s population, severe problems of unemployment, growing wage and income disparities or even, as we have seen in recent times, political instability. It makes it more and more difficult to deal with economic policy or corporate behaviour on a purely national basis. It also has brought a certain loss of control by democratic institutions of development and economic policy.

Poverty, hunger and disease affect hundreds of millions of lives and kill a child every three seconds. The gap between the rich and the poor is widening all over the world. In 1960, the income gap between the 20% richest and the 20% poorest countries in the world was 30 to 1. This rose to 60 to 1 in 1990 and to around 75 to 1 at the end of the 20th century. At that same time, the World Bank said that income levels in Sub-Saharan Africa had fallen by 0.7% a year over the previous twenty years while average incomes in industrialised countries had grown by 2.0% a year. Over the last ten years, the highly paid within the industrialised countries have seen their incomes rise much faster than the average, while a growing number of families depend on insecure, low-paid jobs or social benefits.

The challenge of globalisation is not to try to make it go away or to pretend it does not exist. It is to find ways to manage change and regulate and structure globalisation so that it is subject to the popular will, supports fundamental rights, and brings prosperity to as many people as possible. The global task of trade unions is to affect policy at the international level, convince governments and enterprises to assume the responsibilities of globalisation, and engage in practical, effective solidarity.

The components of globalisation

Globalisation is the result of several developments and processes that are generally linked together. These include:

- The growth and relative importance of foreign direct investment (FDI), which provides a greater role for multinational enterprises, accompanied by the increasing importance of imports and exports for virtually all countries;
- The internationalisation of financial markets;
- The development and diffusion of communication and transport technology;
- Deregulation and liberalisation;
- Privatisation of the public sector;
- The increased coordinating role of the international financial institutions, such as the World Bank and the IMF, and the World Trade Organisation (WTO) on governance policies (see chapter 4)

1. Foreign direct investment

International economic interdependence over the past 30 years has been driven in large part by a dramatic growth of foreign direct investment (FDI - the creation of productive assets by foreigners or the purchase of assets by foreigners). Until the 1970s, international economic activity was mostly in the form of exchange of goods and services between nation-states - trade being the driving force of the international economy. Since that time, there has been a growing importance of the movement of capital in the global economy. Put simply: instead of having a system where products are made in one country and then transported to another, companies started to make things directly in the other country.

A central role in this changing system is played, by definition, by multinational enterprises. A company is not a multinational company just because it sells exports overseas; it has to have actually moved part of its operations to another country by investing abroad.

International trade during the 1980s and 1990s grew twice as fast as the Gross Domestic Product (GDP). In turn, FDI grew twice as fast as international trade in the

1980s. During the 1990s, growth of FDI continued to be 1.5 times faster than the growth of international trade. This clearly shows the growing role for multinational enterprises in the world economy. FDI levels doubled in the three years leading up to 2000. The level of FDI decreased spectacularly in 2001 and 2002, but that just translated into a slowing down of the process, not in less globalisation. An important side note here is that FDI is unevenly spread: the countries where most of the FDI went to are, by far, the OECD countries. China, as one of the major recipients of FDI over the last few years, is one of the noted exceptions to this.

According to the World Investment Report by UNCTAD (United Nations Conference on Trade and Development), sales by foreign operations of multinationals amounted, in total, to US\$ 18,000 billion in 2002. This was more than twice as high as the value of world exports, which stood at US\$ 8,000 billion. In other words, FDI is a much more powerful and visible aspect of globalisation today than world trade.

In addition to this, an important share of world trade takes place within those enterprises. According to an OECD report from 2003, the share of intra-firm exports in the total exports of manufacturing affiliates under foreign control ranges between 35% and 60% in the OECD countries. A result of this is that the growth of international production is not only linking markets but is increasingly linking the production systems of individual countries as well, which is different from what happened in international integration in the past.

GLOBALISATION IN ALL DIRECTIONS FROM MIGRATION OF WORKERS TO MIGRATION OF WORK

Migration of workers

An estimated 175 million people (3 per cent of the world's population) live outside their countries of origin. About 85 million are workers and 60% of all migrants live and work in developing countries.

Many of these people choose to migrate to improve their living standards. Some do so as they are looking for a challenge or new experiences. However, most people migrate due to a lack of decent work opportunities at home. Unemployment, poverty, and social exclusion are the key factors underlying most migration. Another category of migrants are those that move because of political circumstances, fleeing wars, civil strife, ethnic conflicts or violations of human rights.

Sadly, jobs offered to migrant workers are increasingly of a temporary and precarious nature, depriving millions of basic protection through social and labour legislation and through collective agreements. Migrants, in particular those in irregular situations, nearly always fill the lowest job categories. They often face low wages and poor working conditions.

Many migrants have also been faced with discrimination and xenophobia, as well as social exclusion, despite the obvious advantages of migration. For example, it is widely acknowledged that migrant workers will be helpful in guaranteeing the survival of social security systems of a high number of industrial countries.

Migration of work

Companies, themselves, have also been relocating - or outsourcing - to other countries, mainly to countries with lower wages and often (much) lower standards. New in this debate is the migration of jobs in the service sector, following the start of the migration of manufacturing jobs, often lower-skilled ones, roughly a generation ago.

It remains an open question if this trend, which has received a large amount of media attention, will be one of the factors shaping globalisation in the next decades. It definitely gets serious political attention, as can be seen by the U.S. Senate effort of early 2004 to pass a bill banning U.S. companies from shipping government contracts overseas.

Leading the way is India, which started by attracting the interest of those companies that work with call centres. The idea was that answering a phone could as well be done in India as in the country where the problem arises, as long as the right response is given. Job migration did not limit itself to the telecommunications sector; however. Remote software development and the relocation of back-office work in the financial sector are other examples.

Recently, jobs have also been relocating in the commerce, graphical and media and entertainment sectors. Data inputting companies have grown large mainly in Asian countries. A report by UNI on "The global mobility revolution" even mentions the less obvious example of how security cameras in the US are being monitored remotely from the African Cape Verde Islands.

The trend is not limited to English-speaking countries, nor is it just north vs. south. The UNI report describes a Lufthansa German-language call centre in Cape Town, South Africa. It also mentions that Ireland is in fact the country with the largest market in IT outsourced services, before India, Israel, and Canada. Of the developing countries, India has attracted most attention because of its software sector. Other leading destinations for service jobs are the Philippines, Ukraine, Russia, the Czech Republic, Poland, China, Pakistan, Brazil, Argentina, and Mexico.

A difference from the relocation of lower skilled manufacturing jobs is that the migrated service jobs are not necessarily sweatshop jobs. On the other hand, high staff turnover and poor career advancement seem to be found anywhere in the world in call centres, including in the developing country ones. And, in the end, even though the service jobs may be relatively higher skilled, it comes down to the very basic question: are workers allowed to join independent organisations to defend their own rights? This right, together with the right to collective bargaining, is the key to prevent abuse and bad jobs.

The report by UNI suggests some tactics from a trade union point of view when faced with service sector job migration. Basically, a reactive stance is not the right one. Resisting change at all costs is not working. In addition, the obvious fact that it is often difficult to halt migration, work often migrates to countries where employment conditions are poor – and where workers may view foreign trade unions as hostile to their own interests and, therefore, not be motivated to develop their own union structures.

Three options are seen as important when faced with relocation: effective support for workers and their communities; worldwide observance of fundamental workers' rights; and prior consultation and negotiation with workers' representatives before change is introduced.

According to the report: "The trade unions' aim should be to ensure that worker representation and good employment conditions operate throughout the global operations of the employer company, regardless of the country. This has a double advantage: it helps combat casual, opportunistic relocation of jobs abroad, and builds a stronger international framework for industrial relations in the longer term."

2. Financial markets

The Bretton Woods exchange rate system, which was created after World War II to provide a degree of international exchange rate stability and which resulted in the creation of international financial institutions such as the International Monetary Fund (IMF) and the World Bank, collapsed in the 1970s and flexible exchange rates were introduced. Many capital controls at the national level were removed. This was followed in the 1980s by significant deregulation of the financial sector. The result has been enormous movement of capital around the world. Daily financial transactions by thousands of banks and currency traders amount to well over US\$ 1.5 trillion (US\$ 1,500 billion), most of it in the form of speculation. Cross border lending has exploded and new financial institutions are developing and restructuring constantly.

Financial markets and the key players in those markets have developed a role that has severely limited the powers of national governments. The deterioration of national sovereignty has not been replaced by effective international rules governing those markets, as has been shown by the speculative contagion behind the economic and financial crisis, which began in 1997 in Asia and spread around the globe after that, severely affecting a lot of countries. Several countries have been the victim of a financial crisis since then, with Argentina one of the most hurt. One particular thing that has clearly been shown by these crises is that the local workers are the main victims. They have to live with the devastating consequences of a globalisation that has gone wrong.

There is a growing certainty within the international trade union movement and, indeed, the global community at large, that something needs to be done to prevent further negative results. Over the years, the ICFTU has made many proposals for measures to be taken to prevent this, mainly by seeking to introduce effective new international regulations of those processes.

One aim is to dampen speculation by making it more costly to the financial traders and to reduce the risk of large-scale financial collapse. One suggested measure is the Tobin tax, the taxation of short-term financial transactions, as a way of helping to correct the market without sacrificing any of the benefits that capital mobility can provide.

A new architecture for global financial stability and sustainable development is needed, with reform of the IMF and World Bank, so that their programmes promote good governance and respect for human rights and fundamental labour standards, increased employment, poverty reduction and the provision of public services in key areas.

The goal of these measures is to direct the operations of financial markets away from speculative transactions and short-term profit taking and towards facilitating long-term, productive investment that creates good, secure employment. They would encourage governments and the international agencies to tackle the social problems that are often the underlying cause of financial tension and instability. In addition, they would support sustainable development that combines structural adjustment with social justice.

3. Deregulation and liberalisation

Most countries have, often as a result of global, regional, and bilateral trade and investment negotiations, lowered barriers to trade and investment. These barriers include trade quotas and tariffs, as well as national capital controls. Although dereg-

ulation and liberalisation occur at different speeds in different countries, the trend is worldwide. The major financial institutions, such as the IMF and the World Bank, are partly responsible as they encourage and facilitate the introduction of free market-based economic policies in their programmes.

The 1980s and 1990s saw a broadening of the global market as many developing countries, particularly in Asia, received a great deal of investment and developed their exports. With the collapse of the Soviet bloc, many formerly centrally planned economies increased their participation in and exposure to the global market as well.

During this period, many developing countries have also moved towards a market economy, many of them under the pressure of structural adjustment programmes of the IMF or the World Bank, with an emphasis on export. Economic reforms often involved privatisation of large, state-owned enterprises and a dramatic reduction of public services.

One of the main driving forces responsible for the increase in global trade has been the creation of a framework of intergovernmental trade agreements at global and regional levels. At a global level, discussions at the GATT (the precursor of the World Trade Organisation - WTO) over the past 50 years have led to a world with fewer and fewer restrictions on trade and to world-wide agreements on trade liberalisation in an increasing number of sectors. At the regional level, the establishment of free trade areas and other regional economic arrangements has stimulated a higher level of trade within the countries participating. Nearly every part of the world has its own form of regional free trade agreement or group, including the European Union in Europe, SADC in Africa, MERCOSUR and the Andean Pact in South America, NAFTA in North America, ASEAN in South East Asia and APEC for the Asian and American countries on both sides of the Pacific.

Next to these multilateral agreements, there is a large and growing number of bilateral trade and investment agreements. The 2003 World Investment Report by UNCTAD put the figure of investment agreements between two different countries at over 2,100.

There is no doubt that the acceleration of integration has led to new relationships and realities. International production has become a central structural characteristic of the world economy.

SOCIAL EUROPE

The success of integration in the European Union over the past forty years has had much to do with the incorporation of social elements from the very start. While these elements were just a beginning which the European trade unions have had to fight hard to improve upon, that beginning was crucial in ensuring that economic and social progress were mutually reinforcing throughout that time.

In 1957, the Treaty which established the European Community provided a basic framework of rules for trade and investment which gave the member countries confidence that they would benefit from economic integration. The Treaty included social components, primarily to start with in the area of occupational health and safety. These ultimately led to the drafting of the European Union's Social Charter. Secondly, the Treaty included a social fund for development in poorer regions. Although this was fairly small to begin with, again it gave the poorer countries confidence that they would be compensated for the costs of adopting higher standards. Thirdly, the Treaty included provisions for democratic consultation.

Of course, much has improved since 1957, due primarily to sustained trade union struggle, including the finalisation of the Social Charter (properly called the Community Charter of the Fundamental Social Rights of Workers) in 1989, the expansion of the social and regional funds and the provision of tripartite consultation through the Economic and Social Committee of the EU, as well as the constitution of an elected European Parliament since 1979. More recently, an extensive sectoral social dialogue has developed through a series of joint committees. Also, as a result of the Maastricht Treaty, extensive powers have been given to the European social partners to draw up legislative proposals, as they did for example in the area of part-time work as well as on fixed-term contracts.

These different factors - social legislation, social funds and democratic consultation - contributed greatly to, and perhaps even guaranteed, the success of the European Union. The struggle for the social dimension of European integration is far from over with trade unions fighting for both social and economic progress. New challenges lie ahead now that the European Union has been expanded to 25 members.

However, it is not only Europe that faces challenges. Social, trade union and human rights considerations are equally crucial in determining the success or failure of the different economic integration agreements being developed around the world.

4. Globalisation and the public sector

Globalisation has also served as a pretext for advocates of a “free market” ideology to seriously challenge the role of the State. This offensive has changed the relative balance that has existed between the public and private sector, which was part of a post-Second World War consensus in developed countries. There has been much talk of the decline of the welfare state, with some rejecting it and claiming that it is ineffective.

In addition to reshaping social security systems to meet demands for greater flexibility from private enterprises, a number of countries have challenged the role of the State as the provider of public services. In some countries, the management of social programmes of last resort has even been entrusted to the private sector. Pension systems are a prime example of this.

The notion of, on the one hand, the public sector as an ineffective and wasteful giant and, on the other, the private sector as an effective and responsible actor, however misleading, has caused enormous damage. Many seemed to think (and still do) that public investments, no matter how vital, are a waste and private investments, no matter how foolish, are wise. In many cases, ideology has replaced a pragmatic examination of the facts. As a consequence, in some countries, crucial sectors, such as the health sector, have been more or less dismantled and, in effect, handed over to private interests.

As time passed and, as a result, as the negative consequences of this free market ‘religion’ became clear, the pendulum may have swung back a little. However, much damage is done and a belief in the almost absolute power of the free market is still very much present in many countries and institutions.

The international trade union movement considers most of these free market policies to be based on an economic analysis that is completely removed from reality. The approach considers that government, by its very nature, is a drain on a country’s collective wealth that is entirely generated by the private sector. This concept of the functioning of the economy is founded on the false premise that there is a system of wealth-creating activities on the one side (the private sector) which finances a system of non-

commercial activities on the other (the public sector). If this line of reasoning is followed, does it mean, for example, that vocational training, which is generally a public sector activity, should be considered unproductive?

The same unconditional advocates of the “free market” who assert that the private sector habitually makes wise, well-considered investments while the public sector regularly indulges in senseless expenditure, find economic justification for the debts of the former, while condemning those of the latter. The repeatedly imposed prescription for downsizing the public sector, leaving the role of job creation entirely to the private sector, is part of this same dogma. So is the incessant campaign for privatisation of public services that, in practice, has often failed to live up to expectations. The artificial separation of the public and private sectors, both integral and inter-dependent parts of societies and economies, is dangerous and must be vigorously challenged.

The obsession with the public deficit and debt is also at the root of the repeated attacks on the public sector. In the wake of globalisation, the need to rationalise public finances is used to justify recurrent cuts in public expenditure. Tackling the deficit and the debt has been used as a pretext for attacking certain public services such as education and health, and social programmes. Although advocated on the basis of rationalising public finances, it is being used to undermine the role of the State. Moreover, when austerity is not imposed from outside by an organisation such as the IMF, it is often introduced by national governments themselves.

Increased competition, as a result of globalisation, has had an impact on fiscal territory. Powerful employers’ lobbies have for many years been opposing almost all forms of taxation, but, in particular, taxes on the wage bill, which finance social programmes. Free trade and the free circulation of capital have led to competition between national tax systems, resulting in widespread erosion of tax income and the creation of a social deficit. Every country is under pressure to align its measures with the lowest common denominator. But we are now seeing that these strategies have literally suffocated the public sector in several countries by draining it of funds.

TRADE AND INVESTMENT AGREEMENTS AND THE PUBLIC SECTOR

Major agreements on trade and investment are a characteristic of globalisation that is having an effect on the public sector. Education is a good example of this.

The link between major trade and investment agreements and public services, such as education, is not obvious. However, agreements on international trade and investment do not concern the economy alone. They help shape all aspects of the collective life of our societies. In addition, the trend towards privatisation affects some of these services. Also, it is important to remember that the 1994 General Agreement on Trade in Services (GATS) was the first multilateral agreement covering trade in all services.

The GATS includes a commitment to steadily liberalise trade in the sector through regular negotiations. At the world level, it was also the first multilateral agreement on investment, as it targets not only cross-border trade but all possible means of supplying a service, including the right to establish a commercial presence on the export market. Education services, particularly higher education, are now an integral part of these negotiating rounds that are carried out at regular intervals under the auspices of the World Trade Organisation (WTO). In the jargon of this institution, education has become a market like any other, meaning that governments should notify the WTO of their mechanisms and degree of openness towards foreign enterprises. This takes place at a time when the rapid development of new technologies is accelerating trade in services.

The WTO recognises that international trade in education services has grown substantially, particularly in higher education. The growing number of students travelling abroad for their studies, the exchanges and links between teachers and researchers, the increase in the international marketing of programmes, the establishment of “local branches” of universities and the elaboration of international co-operation mechanisms between educational establishments from different countries confirm this trend.

International trade in educational services takes different forms and the liberalisation of this trade can have very different repercussions accordingly. For example, promoting exchanges between students or researchers has very different implications for a public education service than opening the door to the international marketing of education programmes by the private sector.

With the signing of the GATS, several countries agreed, to varying degrees, to open up their education sector to international trade. In some cases, this could translate into increased pressure for the privatisation of the sector. The Multilateral Agreement on Investment (MAI), which was being negotiated at the Organisation for Economic Co-operation and Development (OECD) and originally proposed to cover the broad service sector, followed a somewhat similar dynamic as the GATS and could have accelerated the liberalisation of the trade in services. The extent to which the countries of the OECD would have liberalised the different sectors would only have become clear once the negotiations had been concluded.

As the MAI is dead, eyes are now on the WTO where we may yet see the start of new discussions on the establishment of a multilateral framework for investment, although indications at WTO meetings following the collapse of the WTO Doha Development Round negotiations at Cancun in September 2003, are that no such agreement will be negotiated in the immediate future.

A new round of negotiations on the liberalisation of international trade at the WTO may include and affect education and other parts of the public sector. The need to have good quality and democratically controlled public services is a trade union priority at the international level and one of the areas where globalisation must be properly and responsibly managed.

It must therefore be clarified in the current GATS negotiations that countries can maintain the right to exempt public services (for example, education, health, water and postal services), as well as socially beneficial service sector activities, from any WTO agreement covering the service sector, including at sub-national levels of government. Explicit reference to social and environmental concerns in the negotiations is required, in order to prevent the conclusion of any agreements that undermine vital and socially beneficial service sector activities and/or the ability of governments to enact domestic regulations, legislation and other measures necessary to safeguard, monitor and develop such services.

Countries must have the right to take a future decision to increase the public sector role in their services sectors (for example following a change of government) without facing a WTO dispute, as would be expected under current WTO rules.

(Text by PSI and EI)

5. Technology

The technological revolution in information processing, communications and transportation made it much easier to create a global production chain and distribution networks. It makes it easier for companies to integrate their subsidiaries as well as build ties with suppliers and customers. As there is often less need for proximity, it is

easy for many MNEs to work from and in any part of the world. The use of e-mail, internet and videoconferences reduces problems of distance.

The use of IT has changed the way major companies do business. Technology and the software that comes with it also make it possible to trade previously un-tradable services. A good example of this is education where we are witnessing the emergence of “virtual universities”. These link up with their students via the internet or other distance learning technologies.

The use of technology not only facilitates working across borders, it also brings changes in work relations. More and more people are working at home or in call centres. Production techniques are also changing. Old systems for the mass production of standard products are being replaced by methods that allow shorter production runs of more differentiated products. Some of these changes can, of course, have positive effects for workers and consumers in the right policy framework.

Technology also facilitates the rapid flow of capital worldwide, making the global capital market a reality. The fact that international financial transfers can be done in a few seconds is not only changing the way companies behave, but is also further encouraging financial speculation and instability.

This flexibility and mobility of production can place great pressure on workers. It creates new challenges for trade unions, to adapt to this new environment and rethink approaches and strategies. One of the ways for unions to adapt is to make use of the technologies themselves, in order to approach the speed and efficiency of the companies with which they are dealing. Such technologies increase the possibilities for communication, which is vital for international solidarity. They also make information gathering more accessible for many unions (for example, there are many web sites that specialise in giving daily updates of news on big companies).

The meaning of globalisation for workers

This globalisation is a challenge for workers and their trade unions. There is the pressure put on governments to deregulate and, increasingly, to abdicate their role. A nation-centred system with national social and economic policies helped to create a degree of social justice and economic equity. This nationally based approach has come under severe pressure. Due to the diminished role of national institutions, there has been a certain shift towards the world level, but without an international framework and institutions in place that can deal effectively with issues of justice and equity.

An additional challenge for trade unions is the changing nature of the employer. In a world where capital is much more mobile than workers, different forms of business organisation and relationships have been created which can shift employment and threaten collective bargaining relationships.

Partly as a result of the rootless character of MNEs, a lot has changed, including the introduction of new management methods, sometimes “best practice”, but too often “worst practice”, and the threat to relocate to countries with lower social or environmental standards and no independent trade unions. New forms of work organisation have been established as well as changes in the employment relationship. A long list of examples can be given such as outsourcing, subcontracting, contract labour and various other forms of precarious employment. Globalisation has also helped to

extend the market and the responsibility for goods produced under extreme forms of exploitation such as child labour or forced labour.

Because of these changes, one of the fundamental goals of organised labour, taking workers' rights out of competition by establishing fundamental common standards, is under direct attack. Even with the emergence of corporate social responsibility as the latest fashion, competitiveness and flexibility are still the main objectives for most of the enterprises in the global environment. They put workers into increasingly fierce competition with each other, put pressure on social safety nets, and, at times, effectively undermine workers' rights that were won through many years of struggle. This has become known as the 'race to the bottom' of the 'downward spiral'.

RACE TO THE BOTTOM

Electronics workers in Mexico, like their bosses, have their eyes turned to the east.

"That's the pressure – we have to work the way they work in China. That's what they always say. If we want to keep the maquiladoras (foreign-owned assembly plants) here in Mexico, we will have to work the way they do in China".

"Last year, the average production pay for production line workers was a not very generous 500 pesos (about US\$ 45) a week. This year, most people are being offered 450 pesos." Productivity bonuses, once the norm, are getting rarer, as are opportunities to obtain loans against salaries. Contracts are getting shorter too.

(based on an article in the Financial Times, "the human cost of the computer age" and on a report by CAFOD, a UK based charity – both January 2004)

It has been argued that this corporate agenda, adopted by many political leaders, is supposed to lead to more jobs and higher living standards. Instead, it is leading to a world of increasing division between rich and poor, within and among nations, increasing wealth and power for an elite, declining living standards for many and growing insecurity for large numbers of working people.

The international trade union movement is seeking ways to incorporate into the globalisation process the protections that were achieved in many countries at the national level, and to enable workers and their unions to participate effectively in the global economy and in building a democratic framework for it. Competitive pressures should be more on companies, to produce quality products and services, and less on governments to sacrifice the interests of their people to attract and keep investment. Workers' rights and decent conditions should not be driven down by competitive pressures in a situation where workers are, in effect, bidding against other workers for less-quality jobs.

The challenge facing trade unions in the era of globalisation is to ensure that structural change and adaptation are achieved without compromising the goals of full employment and social justice. We have to convince governments that it is essential to act urgently to increase and spread more evenly world economic growth. Whether at regional or at world level, it is clear that if basic workers' rights are to be safe, they must be integrated into any agreements related to economic integration.

PRIVATISATION GONE BAD - PSI AND WATER

A small number of powerful global utility corporations have identified water privatisation as a corporate growth strategy, using the World Bank, national development agencies and export credit agencies to impose privatisation on developing countries. These companies have created a number of front groups to advocate privatisation as the best solution to problems in the water sector. They disparage the public services and relegate the government's role to one of 'enabling' the corporations to operate these essential services.

Despite their best efforts to control water systems, the corporations are running into serious problems, as was acknowledged by the United Nations in a 2004 report, which questions the appropriate role of private for-profit management of water systems.

Public Services International (PSI) is a leading player in the international campaign to block this strategy, working with unions, NGOs, local public management and receptive governments. Trade unions object to privatisation for a number of reasons:

- Privatisation is imposed by outside agents on developing countries
- Private corporations often cut the workforce heavily in order to boost profits
- Consumers suffer significant tariff increases to cover profits
- Public services suffer as the priority becomes corporate profits

The most controversial case was Bechtel's attempt in 2001 to double water prices in Cochabamba, Bolivia, before even beginning construction on a massively expensive project. Union and citizen protests followed, which the government tried to suppress by force, killing one young protester. Eventually, Bechtel fled Bolivia, destroying its offices and taking all its files, but not before registering a subsidiary in the Dutch Antilles, allowing it to sue Bolivia for millions under the provisions of a bilateral investment treaty between the two countries. The World Bank's role in this case is twofold: the Bank laid the groundwork for privatisation when it ordered the government to stop subsidising water, even to the poorest. And it will be under the Bank's secretive dispute mechanism that Bechtel tries to win millions from Bolivian citizens.

Another World Bank project to fail miserably was the Suez-led privatisation of the water system of Buenos Aires, Argentina. In the first eight years of the 30-year concession contract, Suez was able to extract massive profits, close to 20%, thanks to its ability to outwit a weak regulator. Suez also undertook a massive staff layoff to further boost its profits. Under Suez' management, tariffs rose 20 percent, but promised investments from the company were slow to come. After Argentina's financial crisis and currency devaluation, Suez convinced the French ambassador to pressure the Argentine government to continue paying the concession fees in foreign currency, which would have implied a 100% tariff increase. Fearing an inflammation of popular protest, the Argentine government resisted this political arm-twisting, and Suez decided to pull out, given that its profit stream was no longer guaranteed. The city of Buenos Aires will now resume management of its water system, in collaboration with the water workers and their union.

The Asia Development Bank spearheaded the world's largest privatisation in Manila. Suez won the concession through a deliberate low-ball bid, knowing full well that once it controlled the monopoly contract, it would be able to renegotiate terms in its favour. Which is exactly what it did. When the state regulator refused its rapid tariff increases, Suez persuaded the president to overrule the decision. A couple of years later, still hungry for tariff increases, Suez stopped paying its concession fees for six months as a way to pressure the regulator.

These tactics proved fruitful, and tariffs in Manila have risen considerably. The Suez concession has run into significant problems, including environmental and quality standards and service to impoverished areas.

PSI and EPSU (European Federation of Public Service Unions) have also led the fight against the corporate/political lobby to include water services in the WTO-GATS negotiations.

2. THE INTERNATIONAL TRADE UNION STRUCTURE

Over one hundred years of trade unionism

Among the pioneers of international co-operation were the International Trade Secretariats (ITS). They were renamed, in 2002, as GUFs – Global Union Federations. GUFs are worldwide federations of unions that unite workers based on industry, craft or occupation.

Amongst the very first pioneers were British, French and other European trade unionists, whose cooperation resulted in the establishment of the International Workingmen's Association in 1864. This "First International", which also grouped the several political factions, supplied some concrete support in several industrial disputes over its short lifespan.

The first enduring international trade union organisations, independent from the political groupings, were established in 1889, when the International Federation of Boot and Shoe Operatives, the International Federation of Tobacco Workers and the International Typographical Secretariat were created. Several others were formed in the late 19th century and, by 1914, 33 of them had been established.

In the beginning, they were fairly informal structures, co-operating on a practical level with exchange of information on the craft, trade or industry, helping travelling journeymen, and discouraging the international transport of strike-breakers. Around 1900, they had already enlarged their co-operation to areas such as organisational assistance, international strike support and international standard setting.

The first international trade union organisation composed of national centres grew out of a conference in 1901, where the most important European national trade unions decided to create an international body. First established as the International Secretariat of Trade Union Centres, the organisation was renamed in 1913, becoming the International Federation of Trade Unions (IFTU).

THE ITF AND HOW IT STARTED

In April 1896, Havelock Wilson, leader of Britain's National Sailors' and Firemen's Union, was making plans to hold an international meeting of sailors and firemen, built around the International Socialist Trade Union Meeting in July in London. Happening at that time, a docks dispute in Rotterdam was to become the catalyst that made many begin to recognise the potential of an international organisation of seafarers and dockers.

The Rotterdam strike had been caused by plans by the largest employer in the port to effectively cut wages by 25 per cent. The whole port was on strike and the military had been mobilised.

When he arrived, Wilson found about 40 British ships caught up in the dispute and obtained a steam launch to visit every vessel and ask the crews to attend a meeting that evening. Attended by 600 seafarers and striking dockers, the meeting, which was closely observed by the police, resolved that British crews would refuse to load or discharge their cargoes until the strike was resolved. The strike ended successfully.

Wilson's experiences in Holland had clearly strengthened his determination and as the date of the Socialist International Congress grew nearer, the central council of the International Federation of Dock and River Workers was formed. Later that month, a fully international meeting of the central council of the international federation was held, thus qualifying it as the first ever meeting of what was to become the ITF. There were representatives from Great Britain, Sweden, USA, Germany, Netherlands, and France. This meeting was followed two days later by a further international gathering during which reports were received from 87 ports in Europe and demands were drawn up to present to shipping and port employers.

The optimism and determination continued in the federation's second-ever leaflet, published in October 1896: "The order to our men is 'prepare for action', for there is no knowing at what hour the capitalists of the shipping industries may open fire. Let them. But remember through it all, our whole fight is not to fight down capitalists but to raise the standard of the workers, and if the latter be done by peaceful means so much the better, say we. If the employers by their stubborn refusal to negotiate, compel rougher work, then on their heads will rest the responsibility."

The period between the wars was one of name changes, the establishment and disappearance of new international organisations, and schisms.

Following the Second World War, the World Federation of Trade Unions (WFTU) was established. In 1949, the International Confederation of Free Trade Unions (ICFTU) was founded, largely by national trade union centres that had left the WFTU over the issue of Communist domination of that organisation. The WFTU remained in existence, but lost most of its membership after the changes in Central and Eastern Europe in the 1990s.

The ICFTU, which is based on the principle that legitimate unions must be controlled by their members and not by governments, employers or political parties, is now by far the largest international trade union confederation. There is also the World Confederation of Labour (WCL), a relatively small organisation based on Christian social principles.

Also in the immediate post-war period (1948), a body was created to represent trade unions in connection with recovery programmes in Europe. This organisation later became the Trade Union Advisory Committee to the OECD (TUAC).

International trade union organisations

Organisations for national centres

The **International Confederation of Free Trade Unions (ICFTU)** brings together workers from 234 affiliates in 152 countries and territories. The affiliates of the ICFTU are national trade union centres, each of which links together trade unions in a particular country. In some cases, there is only one affiliate per country, in others, there are more. Collectively, 148 million members are represented.

The ICFTU is an independent organisation and its activities are financed by the fees paid by member organisations. The organisation is governed by democratic structures, including a Congress held every four years and an Executive Board which meets annually. Both bodies determine policies for the organisation. There are also committees that help develop policies and initiate and review activities. The headquarters of the ICFTU is in Brussels.

A major part of the work of the ICFTU is in the area of representing trade union interests at the international level. Such representation activities include speaking at public fora, writing reports or statements, campaigning, lobbying, and similar actions in a wide range of areas, whilst providing a voice for the international labour movement in relations with international organisations, governments, Non-Governmental Organisations (NGOs), and other bodies.

This is done, amongst other things, through active and targeted interventions on such priorities as the defence of trade union rights and the pursuit of greater social and economic justice in connection with structural adjustment and development.

Being an effective, global voice for working people involves more than the crucial role of effectively participating in the international debate. One of the other priorities of the ICFTU is, for example, to strengthen national centres. This is not only done through defending their interests at the international level, or in some cases their very right to exist, it is also through such activities as training and education of trade union leaders. Much of this activity is carried out by the ICFTU's regional organisations.

The ICFTU regional organisations are the **African Regional Organisation (AFRO)**, based in Nairobi, the **Inter-American Organisation of Workers (ORIT)**, based in Caracas, and the **Asia-Pacific Regional Organisation (APRO)**, based in Singapore. Although part of the ICFTU structure and covered by agreed policies, the regional organisations have considerable autonomy to develop regional priorities and activities.

They represent the trade union movement with regional inter-governmental bodies, on trade and other agreements negotiated on a regional basis, and they also maintain relations with NGOs and other groups. In this representation function, their work is similar to that performed by the ICFTU, TUAC and the GUFs at the global level.

More information on the ICFTU can be found on the 'ICFTU, what it is, what it does' page:

<http://www.icftu.org/displaydocument.asp?DocType=Overview&Index=990916422&Language=EN>

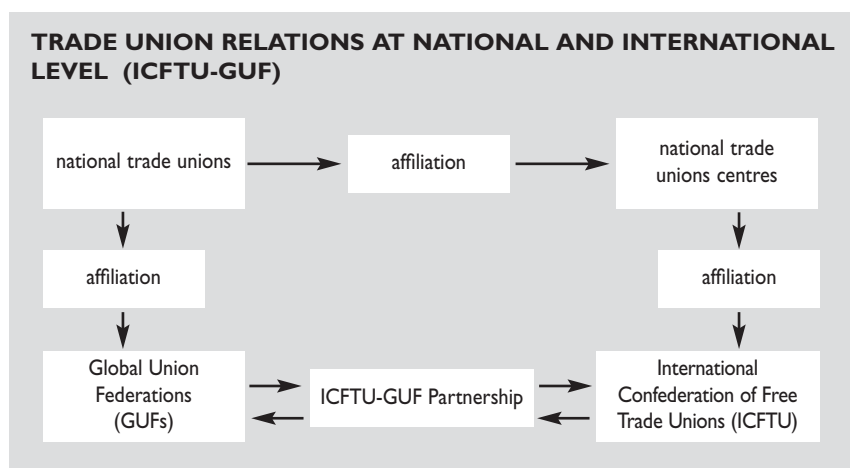
There are also regional trade union bodies that are not part of the ICFTU structure. One such organisation, which plays a significant role in protecting the interests of workers in Europe, is the **European Trade Union Confederation (ETUC)**, based in Brussels. The ETUC was founded in 1973 and is composed largely of ICFTU-affiliated national centres. It includes organisations in Western, Central and Eastern Europe. Its activities include representing trade union interests with the European Union. The ICFTU has a co-ordinating council composed of affiliates in Central and Eastern Europe, which is an additional way for those organisations to discuss their common needs and interests and work with the ICFTU.

The **Trade Union Advisory Committee (TUAC)** to the Organisation for Economic Co-operation and Development (OECD), based in Paris, represents national trade union centres of the member countries of the OECD with the OECD. Most TUAC affiliates are also affiliated with the ICFTU. TUAC has consultative status with the OECD and its various committees. It co-operates closely with the ICFTU and the GUFs on a wide variety of economic policy, sectoral and other issues (including education and training, public sector management, steel, and maritime transport). The 30 OECD mem-

ber countries include most countries in Europe, Canada, the United States, Australia, New Zealand, the Republic of Korea, and Mexico (for a full list, see appendix 2, section on TUAC).

TUAC seeks to ensure that global markets are balanced by an effective social dimension. Through regular consultations with various OECD committees, the secretariat, and member governments, TUAC develops consensus positions among its affiliates and represents those positions with the OECD on a wide range of policy issues.

As part of its activities, TUAC prepares and presents, in co-operation with its affiliates, the ICFTU and the ETUC, a statement to the annual Ministerial Conference, which brings together Finance Ministers from member countries. Since the beginning of the G-7 summits in 1975, that statement has served as the basis for discussions with heads of states and various ministries at national and international level.



Organisations for national trade unions

The organisations bringing together national trade unions on an international level are the Global Union Federations (GUFs). They are autonomous, self-governing, and democratic organisations and are associated with the ICFTU. Their role has expanded with globalisation, as they have grown in membership and have been called upon to play a greater role by affiliates confronted with problems that do not require purely national solutions.

Unlike the ICFTU, which represents national centres, GUFs have national unions as members, which represent workers from a specific sector, industry or occupation within a particular country.

GUFs defend the interests of their affiliates in practical ways through various methods, including:

- Solidarity and organisational work, which may include financial assistance or co-ordination of actions against employers or governments;
- Information and research (of particular importance in dealing with multinationals) and providing useful publications and studies;
- Engaging in campaigns and creating public awareness; and

- Representation of affiliate interests with MNEs, with international organisations at the intergovernmental level, such as through sectoral work at the International Labour Organisation (ILO), and with other organisations in the international trade union movement;

The GUFs are:

	Total members (millions)	Affiliates	Countries
EI - Education International	29	345	165
ICEM - International Federation of Chemical, Energy, Mine and General Workers' Unions	20	400	120
IFBWW - International Federation of Building and Wood Workers	10.5	281	125
IFJ - International Federation of Journalists	>0.5		>100
IMF - International Metalworkers Federation	25	>200	100
ITF - International Transport Workers' Federation	5	621	137
ITGLWF - International Textile, Garment and Leather Workers' Federation	>10	216	106
IUF - International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association	>12	336	120
PSI - Public Services International	20	>600	>140
UNI - Union Network International	15	900	140

WHICH IS MY GUF?

Finding out the GUF with which to seek affiliation, is not difficult. They are divided by sector, industry or occupation. In some cases, trade unions operate in different sectors, which explains why some of them are affiliated to two or more GUFs.

EI (Education International):

Educators, teachers, lecturers and other employees in education.

ICEM (International Federation of Chemical, Energy, Mine and General Workers' Union):

Energy sector, electricity sector, chemical industries, rubber and plastics industry, diamonds, gems, ornaments and jewellery production, ceramics industry, paper and cellulose production, glass industry, cement industry, environmental protection industries, coal mining, mineral mining and stone and sand production.

IFBWW

(International Federation of Building and Wood Workers):

Construction industry, timber industry, forestry, and allied sectors.

IFJ (International Federation of Journalists):

Print media, broadcasting, film and television, news agencies, press offices, public-relations agencies and new electronic media.

IMF (International Metalworkers' Federation):

Production workers and salaried employees in the automobile industry, aviation and aerospace industry, electrical engineering and electronics, mechanical engineering, shipbuilding, iron and steel production, non-ferrous metals as well as metal-processing industry.

ITF (International Transport Workers' Federation):

Transport industry.

ITGLWF (International Textile, Garment and Leather Workers' Federation):

Textile, garment and leather sector.

IUF (International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association):

Food and drink sector; hotel, restaurant, catering and tourism services, agriculture and plantation farming and tobacco processing.

PSI (Public Services International):

employees in public administrations, enterprises and institutions of regional authorities, public corporations, foundations, public institutions; in companies generating and distributing gas, electricity and water; in waste management; in the environmental, social and health sector; in public educational, cultural and leisure-time facilities as well as other public institutions, administrations and companies delivering public services; employees in international institutions which have been established by states or communities of states. Teachers and employees of nationally operated postal and railway services are explicitly excluded.

UNI (Union Network International):

UNI is the result of the merger on 1 January 2000 of CI (Communications International), FIET (International Federation of Commercial, Clerical, Professional and Technical Employees), IGF (International Graphical Federation) and MEI (Media and Entertainment International)

Employees in advertising and public relations; arts; audio recording; audio-visual activities and laboratories; cable; cinema, distribution and exhibition; clerical; commerce; cultural institutions; electricity; electronic publishing; engineers, research, scientific and technical; entertainment; exhibitions; film production; finance; graphical; hair and beauty care; home-based and distance workers; industry, business and information technology services; insurance; mass media; multimedia; packaging; paper converting; postal; private health care; professional & managerial; property services; publishing; radio; radio communications; social insurance; sports; telephone; television; theatre; tourism; transmission and processing of messages; voluntary and non-profit-making organisations.

Most of the international trade union organisations share similar policies and ideas and are essentially working towards the same goals. Co-operation between these organisations has always been close and continues to get better.

One particular result of this increasing co-operation is that the international trade union movement has started to use the name Global Unions for some joint actions or campaigns. Global Unions includes the ICFTU, the GUFs and TUAC.

There is also a Global Unions web site, which is a joint site, containing the latest news and actions by all of the participating organisations, as well as links to some of the most important campaigns. The site can be found here: <http://www.global-unions.org>.

3. TRADE UNION RIGHTS AND INTERNATIONAL LABOUR STANDARDS

The universality and indivisibility of trade union rights

The fundamental concern of the trade union movement has been the struggle to secure the right of workers to form and join independent trade unions and to bargain collectively with their employer. This is the very basis of trade union organisation and is still its highest priority. Defending trade unions and trade union rights under attack from any government is a main activity for the international trade union movement.

The basic trade union rights are the right to form or join a trade union, the right to bargain collectively and the right to strike. These trade union rights are human rights and, as all human rights, they are universal and indivisible. General rights for trade unionists are enshrined in the Universal Declaration of Human Rights, its covenants as well as in most national constitutions and labour codes. For example, article 23 of the Universal Declaration of Human Rights includes the following: “everyone has the right to form and to join trade unions for the protection of his interests”.

Of particular importance are the conventions of the ILO. The ILO's standards take the form of international labour Conventions and Recommendations. They are international treaties, subject to ratification by ILO member States.

The most important trade union rights are defined in the ILO conventions No. 87 on freedom of association and No. 98 on the right to collective bargaining.

International trade union organisations have been fighting since their inception to get these rights recognised by all governments and employers. Conventions No. 87 and No. 98 are integral parts of what is needed to combat the excesses of globalisation: a strong set of labour standards securing the principal labour rights that can be used to confront the social actors with their responsibilities.

ILO CONVENTIONS 87 AND 98

ILO convention No. 87 on Freedom of Association and Protection of the Right to Organise, adopted in 1948, has been ratified by over 140 countries.

It declares:

- That workers can establish and join organisations of their choice without prior agreement from the state.
- That trade unions cannot be dissolved or suspended by the state.
- That they are free to create federations and confederations, which, in turn, can affiliate at the international level.

ILO convention No. 98 on the Right to Organise and Collective Bargaining was adopted in 1949. Over 150 countries have ratified it.

- It extends worker protection against acts of anti-union discrimination.
- It encourages and protects the process of voluntary negotiation between workers and employer organisations to regulate terms and conditions of employment by means of collective agreements.
- It does not deal with public servants “engaged in the administration of the State” who are covered by Convention 151 (1978).

International labour standards and the ILO

The International Labour Organisation (ILO) emerged in 1919 after a devastating war when it was given a special responsibility to contribute to world peace. Its constitution begins with the statement that “universal and lasting peace can be established only if it is based upon social justice.”

Inherent in the establishment of the ILO was the recognition that freedom of association contributes to democracy and stability inside and among nations. The development of a system of international labour standards was seen as helping to reduce international tensions that contribute to economic rivalry, social tensions, and war. Interdependence was already clearly recognised at the time as shown by the following passage from the constitution: “The failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries.”

Although the link between the rights and conditions of workers in different countries and the economy has always existed, a formal recognition of this came only in 1944 with the ILO’s Declaration of Philadelphia, which states that “labour is not a commodity.” It is that distinction between the labour of a human being and product markets that is the essential economic basis for the protection of workers. A few years later, in 1946, the ILO became the first specialised agency associated with the United Nations.

THE PRINCIPLES OF THE DECLARATION OF PHILADELPHIA

The General Conference of the International Labour Organisation meeting, in its Twenty-sixth Session in Philadelphia on the 10th of May 1944, adopted a declaration of the aims and purposes of the International Labour Organisation and of the principles that should inspire the policy of its Members.

The main principles of the declaration are:

1. Labour is not a commodity.
2. Freedom of expression and association are essential to sustained progress.
3. Poverty anywhere constitutes a danger to prosperity everywhere.
4. The war against want requires to be carried on with relentless vigour within each nation, and by continuous and concerted international effort in which the representatives of workers and employers, enjoying equal status with those of governments, join with them in free discussion and democratic decision with a view to the promotion of the common welfare.

ILO - a tripartite organisation

The International Labour Organisation (ILO) is based in Geneva and is the major international body dealing with labour and labour related issues. It is also the only body in the UN system that is tripartite, with representation of workers, employers, and governments. The ILO currently has over 175 member countries.

From the beginning, it was recognised that interference in markets is necessary to protect rights from the village to the world. Legislative protections in such areas as wage and working hours laws, health and safety protection, and other labour standards are such “interference”. So are collective bargaining agreements. Both attempt to create a system of competition that is not based on exploitation of workers. Globalisation, without mechanisms to support fundamental workers’ rights, can put workers back

into competition and lead to a race to the bottom, as countries reduce wages, taxes, welfare benefits and other social or environmental protections to make themselves more competitive.

This is why one of the most important functions of the ILO is the development of international labour standards. These are Conventions and Recommendations, adopted by the tripartite International Labour Conference. Through ratification by the member states, Conventions are intended to create binding obligations to put their provisions into effect. Recommendations provide guidance on policy, legislation and practice. These standards cover a wide range of issues in the world of work, including freedom of association, the right to organise and bargain collectively, forced labour, child labour, equality, labour administration, industrial relations, employment policy, working conditions, social security and occupational safety and health. So far, more than 180 conventions and even more recommendations have been adopted.

ILO DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK

The International Labour Conference, at its 86th Session in 1998, adopted a declaration on workers' rights based on the fundamental conventions of the ILO, the principles of which governments are considered obligated to respect by virtue of their ILO membership. The eight main ILO labour conventions on which the new Declaration is based are: No. **87** and **98** on the rights to freedom of association and collective bargaining, No. **29** and **105** on the abolition of forced labour, No. **100** and **111** on the prevention of discrimination in employment and equal pay for work of equal value and No. **138** and **182** on child labour. The effective application of this Declaration would strengthen respect for workers' rights and help reduce the negative effects of globalisation. The ICFTU led the effort to create this Declaration and its follow-up procedure.

The adoption of the Declaration on fundamental workers' rights in 1998 was only one of the episodes in a struggle to establish and strengthen the observance of international labour standards within an international economic framework. It complements efforts to establish links between workers' rights and international economic activity.

An essential concept of this declaration is that it recognises that all members of the ILO, even if they have not ratified the conventions in question, have an obligation to respect "in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions". In other words, every ILO member, i.e. governments, should respect the principles from the core conventions, simply by virtue of being a member of the ILO.

The ILO is not only charged with developing international conventions and recommendations, it also has a system of supervision that monitors efforts by member governments to ratify conventions. The ILO also examines laws and practices in terms of their conformity to ILO standards. That system includes a Committee of Experts, which examines compliance with a list of conventions each year, and a committee at the annual International Labour Conference, which discusses the report of the Experts and, in turn, reports to the full conference.

In addition, the ILO Governing Body, which guides the work of the ILO along with the annual International Labour Conferences, has a Committee on Freedom of Association, which analyses complaints from trade union and employers' organisa-

tions concerning violations of the right to organise. It is this committee, in co-operation with the Committee of Experts, which has defined the jurisprudence of Conventions 87 and 98 to include the right to strike. More information on this committee can be found in chapter 11.

The ILO also holds sectoral meetings, bringing together people from workers' and employers' organisations, as well as governments' representatives, doing work in a specific sector.

Other main functions of the ILO include formulating international policies and programmes to promote basic human rights, improve working and living conditions, and enhance employment opportunities. It has an extensive programme of international technical co-operation formulated and implemented in an active partnership with constituents to help countries in making these policies effective in practice. These efforts involve training, education, research and publishing.

INTERNATIONAL LABOUR ORGANISATION BUREAU FOR WORKERS' ACTIVITIES (ACTRAV)

As the main link between the International Labour Office and workers, the Bureau for Workers' Activities (ACTRAV) co-ordinates all the activities of the Office related to workers and their organisations, both at headquarters and in the field.

The International Labour Organisation (ILO), whose executive secretariat is the International Labour Office, is the only tripartite agency of the United Nations. In it, governments, as well as employers and workers are represented on an equal footing.

Mission

ACTRAV's mission is to maintain close relations with the trade union movement throughout the various countries of the world, to provide it with the support of the International Labour Office in endeavours to strengthen it, enhance its influence and its activities in the defence and promotion of the interests and rights of workers. ACTRAV:

- Is the link between the International Labour Office and one of its key components: the workers
- Ensures that the concerns of trade unions are incorporated into all the activities of the International Labour Office
- Enables trade union organisation to make full use of the potential of the Office.
- Enables the Office to count on the support of trade unions in promoting and attaining its goals

Goals

Social justice, fundamental rights at work, the defence and expansion of social protection, full employment and equality are the overarching goals of the ILO, and are encapsulated in the concept of "Decent Work". ACTRAV contributes to the attainment of these objectives by supporting trade union activities in a wide range of fields:

- Promoting the fundamental rights and principles at work
- Collective bargaining and social dialogue
- Combating the exploitation of child labour
- Improving working conditions and the environment
- Fighting unemployment and underemployment
- Worker education and training, especially through the ILO Training Centre in Turin

Team

Much more than a department of officials, ACTRAV likes to think of itself as a team of seasoned trade unionists representing the world's various regions and experienced in the work of international trade union solidarity. Their specialists work from the Office's Geneva headquarters, as well as from its regional bureaux in the field and in multidisciplinary teams, where they contribute "trade union sensitivity". The ACTRAV team:

- Prepares the case files that will help worker representatives put together their arguments for the Annual Conference of the ILO, the Governing Body, regional and sectoral conferences and the Office's various activities
- Assists worker delegates as they take part in these activities
- Brings the trade union elements to all initiatives and activities carried out by other departments and sectors in the ILO
- Follows up and analyses the evolution in the field of national, regional, industry-based and international trade union movements.
- Uses its resources and expertise to serve the cause of strengthening and developing workers' organisations.

Actions

ACTRAV's work concept, which includes an active presence in the field, training or information seminars, cooperation projects, briefings, studies and publications, is an action dynamic designed to promote the fundamental rights of workers, values of social justice and concepts of equality. ACTRAV is stepping up its activities:

- International campaigns to promote the ratification of ILO conventions
- Organising colloquia and seminars on subjects of interest and topicality to workers
- Representations to ILO member governments to secure the respect and implementation of their commitments
- Project implementation and technical co-operation and assistance in the field
- Training of trade union leaders
- Conduct of specific programmes pertaining to labour issues

A source of information

Thanks to its close ties with trade union organisations across the world, its presence in the field in various regions and its training activities, ACTRAV is at the centre of a vast network for information on the trade union movement. This information is placed at the service of the International Labour Office and its constituents and of the public at large through the media, universities, and NGOs. The principal vehicles for this information are:

- A quarterly review *Worker Education*, published in three languages (English, Spanish and French) and devoted to analysis and forward studies. It draws on the best specialists from the world of work and deals with topics that will be tomorrow's burning issues.
- The ACTRAV web pages (www.ilo.org/public/english/dialogue/actrav/index.htm) constitute a wealth of information on the activities of the International Labour Office, targeted at workers.
- *Human Rights at Work*, a monthly online bulletin on ACTRAV activities
- ACTRAV Info, regular communiqués on positions taken by the International Labour Office affecting workers and on the positions of the Workers Group within the organisation's various forums.
- A wide variety of publications, manuals, brochures and practical guides on a broad spectrum of issues of interest to workers

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Whether it is the situation regarding industrial accidents in Tonga or the arrest of a trade unionist in Latin America or actions taken by African trade unions to combat HIV/AIDS, ACTRAV will be able to put you in touch with the persons who are most knowledgeable about the matter and who can furnish you with information. The ACTRAV network spans the globe:

- The major international trade union confederations accredited to the ILO
- The major international industry-based trade union federations (construction, services, power, metalworking, transport, food, agriculture, etc.)
- Over 500 national trade union organisations
- Through ACTRAV, the other departments and specialised divisions of the International Labour Office
- ILO and ACTRAV representatives in the field
- The advisory multidisciplinary teams
- The Training Centre in Turin, which plays a key role in worker education activities.

4. AN INTERNATIONAL FRAMEWORK FOR SOCIAL JUSTICE

Of course, it is one thing to establish a standard and quite another to observe it. One of the most important concerns of trade unions about globalisation is that international competition has caused a failure to respect existing labour standards, often as a result of governments participating in a race to the bottom.

Many complaints are related to government failure to force corporations to respect trade union rights. Some of these violations have been caused or aggravated by government implementation of IMF or World Bank conditions or other international pressures. However, most come from authoritarian governments who fear any independent force in society, and particularly trade unions, which have a popular base and, therefore, power.

The experience of workers, at national level, is that there are only two significant ways for workers to be protected and to have their interests advanced. One is through the instrument of government. Most often, this means through the application of good laws and regulations. The other is through the workers' own instrument, i.e. trade unions, most often through collective bargaining. There is no reason to believe that this experience does not apply at the international level as well.

This chapter deals with the first aspect. It takes a look at how the international trade union movement is seeking to ensure that a social dimension is built into the international governmental framework. It considers some of the rules that are being developed to govern the global economy. How trade unions are working to develop international forms of social dialogue and industrial relations with multinational companies will be considered in chapter 9.

International Financial Institutions

THE INTERNATIONAL FINANCIAL INSTITUTIONS WHAT ARE THEY?

"IFIs" (international financial institutions) is a name often used to refer to the International Monetary Fund (IMF) and the World Bank.

Both organisations were founded at a conference in Bretton Woods, USA, in 1944, as companion organisations to the United Nations. Their stated common goal was (and still is) to contribute to the world's financial stability and economic growth, leading to a more stable and prosperous global economy.

Even though the two organisations have different roles, they have the same membership, consisting of most of the world's countries.

The **IMF** is "responsible for ensuring the stability of the international monetary and financial system" – i.e. the system of international payments and exchange rates among national currencies that enables trade to take place between countries.

The three main functions of the IMF are:

- Surveillance, mainly through regular dialogue and policy advice with member countries. For example, the IMF discusses with countries' authorities (usually annually) the policies that are most conducive to stable exchange rates and a growing and prosperous economy.

- Technical assistance, offered in several areas, including fiscal policy, monetary and exchange rate policies, banking and financial system supervision and regulation and statistics.
- Financial assistance – in the IMF’s own words “available to give member countries the breathing room they need to correct balance of payments problems”.

The **World Bank** is an intergovernmental lending institution. It co-operates intensively with the IMF, as there are many areas of overlapping responsibilities.

The World Bank was created to “promote long-term economic development and poverty reduction” and provides “technical and financial support to help countries reform particular sectors or implement specific projects”. For example, “building schools and health centres, providing water and electricity or fighting disease.”

The World Bank consists of five agencies:

- IBRD (The International Bank For Reconstruction and Development): provides loans and development assistance to middle-income countries;
- IDA (International Development Agency): provides interest free loans and grants to poorest countries;
- IFC (International Finance Corporation): finances private sector investments and technical assistance to governments and business;
- MIGA (Multilateral Investment Guarantee Agency): provides guarantees to foreign investors – also technical assistance to help developing countries promote investment;
- ICSID (International Centre for the Settlement of Investment Disputes).

Both the IMF’s and the World Bank’s policies, advice and assistance are usually linked to programmes and/or conditions that have, in many cases, been heavily criticised by trade unions and others for their lack of social concerns. They have often advocated “neo-liberal” issues such as privatisation, labour market flexibility, liberalisation of trade and capital flows, market liberalisation and deregulation, pension reform and restrictive fiscal and monetary policies. Many of these conditions have been detrimental to the interest of workers.

The ICFTU has led efforts to intervene with the international financial institutions (IFIs) – the International Monetary Fund (IMF) and the World Bank - to encourage them to examine the social effects of their policies and to consult with trade unions. The organisations have also been asked to urge governments to co-operate with the social partners on the development and implementation of economic policies.

The trade union movement is seeking to convince the IFIs that it is necessary to adopt policies that lead to both social and economic progress. “One-size-fits-all” austerity programmes, imposed on countries in need of assistance, overemphasise methods like privatisation, balancing state budgets through drastic cuts in public services, and the use of high interest rates, without giving sufficient attention to the social consequences for workers, who are often the first victims of such adjustment programmes.

There has been some progress over the last few years. The International Monetary Fund and the World Bank have become more open to dialogue and social measures are, in some cases, given serious consideration. The World Bank has involved the ICFTU and the GUFs in the production of its annual World Development Reports on several occasions. The IMF and the World Bank are now also holding regular meetings with the international trade union movement, including the ICFTU, TUAC, the

GUFs and the WCL. This includes one high level meeting every two years and several other meetings on specific themes that take place about every six months, e.g. privatisation or pension reform. At the high-level meeting in October 2002, for example, 90 trade union leaders met with the heads of the International Financial Institutions and a number of other officials. The number of consultations with unions at the country level has also increased significantly.

However, much more remains to be done. The change of rhetoric within the International Financial Institutions is noted, but the results are unevenly spread. While there are indeed a few signs of change (see box), there is still much more evidence that the policy hasn't gone much beyond the top-level management of these institutions. In spite of some improvement in some places, much has remained as it was before when it comes to the ground level, where the real work is done: negotiations at the country level to determine loan conditions still do not have a trade union presence, even though the conditions often have a direct impact on workers. IMF and World Bank country assistance programmes still have as much emphasis on the classical structural reform policies as before: privatisation, labour market flexibility, liberalisation of trade and capital flows or market liberalisation and deregulation.

More information on the IMF and the World Bank, and, in particular, the PRSPs (Poverty Reduction Strategy Papers) can be found in the ICFTU brochure "Guide to Poverty Reduction Strategy Papers". This brochure is available on the ICFTU web site: <http://www.icftu.org/displaydocument.asp?Index=991214557&Language=EN>

SOME CHANGES AT THE WORLD BANK

- The most noteworthy progress resulting from Global Unions' relations with the International Financial Institutions has been the stated commitment by the World Bank to increase promotion of the core labour standards and to strengthen trade union involvement in the Poverty Reduction Strategy Papers (PRSP) process. After many years of hesitation as to whether they could endorse all of the core labour standards (CLS), both the IMF and the World Bank began, in 2001, to state that they supported observance of all of the standards as being within the institutions' poverty reduction mandate.
- In February 2003, the World Bank decided to publicize its support for CLS when it launched a publication entitled 'Unions and Collective Bargaining: Economic Effects in a Global Environment'. While the book presents a truncated analysis of unions' contribution to economic and social development, its overall findings - freedom of association and collective bargaining rights do not harm growth but do reduce inequality - have been used by the Bank to assert that that it can justifiably increase its role in promoting CLS.
- The publication of the book was followed, in May 2003, by the first discussion on CLS held by the Bank's board of directors. In what was characterised as an informal discussion, all but a minority of the Bank's executive directors spoke in favour of the Bank working to ensure that its practices are consistent with the standards. Bank staff has been mandated to prepare a detailed work programme on additional steps the Bank can take to promote CLS.
- A further report prepared by the East Asia section of the Bank, published in June 2003, argued that the developing countries of that region would benefit from respecting core labour standards and recommended that they reconsider their opposition to those issues.

- In September 2003, the management of the International Finance Corporation (IFC), the World Bank's private sector lending arm, announced that it would revise the institution's safeguard policies so as to make observance of core labour standards a prerequisite for IFC loans. In January 2004, the IFC made disbursement of a loan for a project in Haiti and the Dominican Republic conditional on the respect of freedom of association and right to collective bargaining, following Global Unions' complaints concerning violation of freedom of association by the borrowing company.

One specific example of trying to influence World Bank policies is the long-running IFBWW campaign for minimum labour standards in loan agreements.

THE IFBWW CAMPAIGN FOR THE INCORPORATION OF WORKERS' RIGHTS IN WORLD BANK PROCUREMENT PROCEDURES

Every year, the World Bank provides loans for infrastructure projects throughout the world. The average annual lending of the Bank for construction projects is around US\$ 22 billion, which amounts to about 30,000 contracts per year.

The International Federation of Building and Wood Workers (IFBWW) believes that the development assistance role played by the Bank, together with the volume of employment created by funded activities, places the Bank under an obligation to promote and protect workers' rights.

For this reason, the IFBWW argues that labour clauses should be included in World Bank policy, in loan agreements and in construction contract documents. The IFBWW believes that including labour standards in World Bank agreements would help promote and protect the fundamental rights of workers worldwide.

The IFBWW has proposed texts for Labour Clauses that reflect the principles of the eight ILO core Conventions: on freedom of association, the right to organise and to collective bargaining, on the abolition of forced labour, on the prevention of discrimination in employment and equal pay for work of equal value, and on eliminating child labour.

The IFBWW wants to see these, as well as other labour clauses on other key internationally recognised labour standards, included in loan agreements with the World Bank. It needs to be possible to disqualify contractors from the bidding process if they do not observe these minimum labour standards.

The inclusion of labour clauses in the World Bank Procurement Guidelines and Standard Bidding Documents would provide for the observance of minimum labour standards by not only the direct borrowers themselves, but also by all contractors and subcontractors under the project funding. This way, firms involved in the bidding process would not get contracts simply because they were the best at cutting costs through exploitation of workers.

The IFBWW, through meetings with the World Bank and through co-operation with affiliated unions, is calling for these provisions to be mandatory.

Workers' rights in trade and investment agreements

The ICFTU, in full co-operation with the other members of the Global Unions, has an ongoing campaign to link workers' rights with trade agreements. This has traditionally been referred to as the "social clause" or the "workers' rights clause". It is one way of addressing the problem of nations trying to gain unfair advantage through the

exploitation of workers and the violation of their most fundamental rights. The idea of a workers' rights clause is to ensure that fundamental workers' rights, embodied in the ILO Declaration on Fundamental Principles and Rights at Work (see box in chapter three), become an integral part of trade agreements. This would require close cooperation on implementation between the World Trade Organisation (WTO) and the ILO. A workers' rights clause could make it easier for workers to form unions. It would ensure that all governments took serious measures to tackle the abuses of basic workers' rights. It would provide a partial counterweight to the negative pressures on good labour relations in the global economy and could influence the behaviour of powerful corporations.

The focus of this work is the WTO. Concrete measures have not yet been taken by the WTO on developing this linkage, due to the opposition of many governments in the WTO and the fear of some developing countries about protectionism, in spite of continued interest in the issue by many governments and continued campaigning by the Global Unions.

The ICFTU has been endeavouring to ensure that the WTO sets up a working group or a forum on the subject of labour standards and trade. The developments surrounding the WTO conference in Seattle in 1999, and actions at many later international meetings in different cities around the world, including the subsequent WTO ministerials in Doha, in 2001, and Cancun, in 2003, caused this campaign to make news headlines world-wide.

The ICFTU has, as part of this ongoing campaign, been providing information to the WTO on fundamental workers' rights legislation and practices in connection with WTO reviews of individual countries. In essence, these are overviews on how a particular country scores on the application of the core labour standards, e.g. freedom of association or child labour.

For more information on this, please go to the ICFTU page on 'country reports for the WTO': <http://www.icftu.org/list.asp?Language=EN&Order=Date&Type=WTOReports&Subject=ILS>

WTO – WHAT IS IT?

The World Trade Organisation (WTO) is an organisation that deals with the rules of trade between nations at a global level. Part of its work, for example, is to agree on the tariff rates at which specific products enter specific countries. Its members are governments. As of late 2003, the membership consists of 147 countries - over 20 are developing countries or countries in transition to market economies.

The WTO is essentially an organisation for liberalising trade, guided by two main principles:

- Countries may not discriminate between their trading partners. This means that if a WTO member grants another WTO member a special favour, it will have to do the same for all other countries that are WTO members;
- Countries may not treat foreign trading partners and national ones differently.

At the heart of the WTO are the WTO agreements, negotiated and signed by the members, and ratified in their parliaments. The agreements are the result of negotiation rounds – a ninth round, the 'Doha Development agenda' is currently ongoing – and they provide the legal ground-rules for international commerce. They are essentially contracts – or promises that governments have to respect.

The agreements cover three broad areas: goods, services, and intellectual property.

- the General Agreement on Tariffs and Trade (GATT) is the general agreement covering trade in goods;
- the General Agreement on Trade in Services (GATS) covers the general principles on trade in services;
- the Trade Related Aspects of Intellectual Property Rights (TRIPS) agreement deals with intellectual property.

Under each of these broad agreements, there are extra (sub-) agreements and annexes dealing with specific sectors or issues, e.g., there are agreements on agriculture or textiles under the GATT agreement. These agreements can be re-negotiated at the consecutive trade rounds, while other agreements can come into being.

One of the cornerstones of the WTO is its Dispute Settlement procedure. Whenever a dispute arises where a member government believes another member government is violating an agreement or a commitment that it has made in the WTO, a complaint can be made.

After a structured, but not very democratic, process with clearly defined stages and a fixed timetable, a decision can be taken by the WTO's dispute settlement body to permit a country to impose limited trade sanctions against the 'offending' country or countries. This country (or countries) is, at the same time, also required to change its laws to remove the offending WTO-incompatible elements. Well-known cases that have attracted worldwide media attention have been on such issues as asbestos, cotton, steel, bananas or sugar.

Other issues advocated by Global Unions at the WTO include:

- The call for adoption by the developed countries of a policy to lower (and/or eliminate) their agricultural export subsidies. The WTO negotiations need to result in the end of all agricultural export subsidies, as many farmers in developing countries are no longer able to make a living as a result of cheap (heavily subsidised) imports from much richer countries; or they cannot sell their products at a reasonable price overseas, in competition with those more subsidised rich country exports.

Measures also need to be taken in the area of domestic support for the agricultural sector. Some agricultural subsidies (e.g. price support) need to be reduced and/or reoriented. However, agriculture in both rich and poor countries does continue to require various types of support, including for social and environmental objectives, such as strengthening the rights of rural workers, expanding sustainable employment or raising rural living standards. The key question is 'what kind of support, and for whom?'

The IUF, which is responsible for the agricultural sector, approaches the crisis in agriculture as a global one, as it affects all workers and small farmers. Despite the billions spent on agriculture in the rich countries, the agenda for what the ILO calls "decent work in agriculture" remains blocked and is even regressing. For example, agricultural workers in Canada and the US remain outside the legal framework for industrial relations.

Another example is how subsidised agribusiness undercuts the rights and food security in the export subsidising countries as well. The IUF's publication "The WTO and the World Food System: A Trade Union Approach" states: "Within developed

countries small farmers and former cooperatives have suffered destructive competition, displacement and indebtedness as a result of the expansion of large-scale factory farming and agribusiness. Subsidised exports in the US, for example, have not benefited the vast majority of farmers. The increasing concentration and centralisation of agricultural production has led to the rise of factory farms and the decline of family farms. Over 50 percent of US production comes from only 2 percent of farms, while 9 percent of production comes from 73 percent of farms."

MEXICO, AGRICULTURE AND LIBERALISATION

"Under the drive for total liberalization of agriculture by 2008, rural Mexico has already lost some 2 million jobs. Subsidized corn from the US, dumped on the market at 30-35 per cent below the cost of production, has devastated local production. Reinforced by NAFTA, this has driven the price down by 75 percent."

From "Lessons and Lobster from Cancun", as published on the IUF web-site – October 2003

- The ITGLWF points to the serious difficulties that are arising for employment all over the world in the textile sector, and particularly in many developing countries, as a result of the phase-out of the WTO Agreement on Textiles and Clothing. In many countries, hundreds of thousands of jobs will be lost, leaving social disasters behind. For example, a United Nations study estimated that 1 million jobs will be lost in Bangladesh alone as a result.
- The problems of intellectual property rights: the need for many people in developing countries to have much better (and mainly cheaper) access to urgently needed medicines, in particular for AIDS patients in many developing countries. ICEM is very active on this issue.
- One of the main demands of the international trade union movement is to build safeguards into the international trade system so that the result of negotiations will not be that most services are simply privatised. Particular examples are the educational sector, the health sector, and culture. PSI and EI are the organisations that are most concerned here.

WTO DEBACLES COULD MARK BEGINNING OF GLOBALISATION WITH A HUMAN FACE

In December 1999, the much-heralded WTO Ministerial Conference in Seattle, which some had expected would lead to the start of a "Millennium Trade Round", collapsed in acrimonious failure. One of the main reasons was the WTO's failure to deal with how trade and investment affected social, environmental, development and gender questions. There was an overall feeling that WTO policies and practices were not fair for developing countries, and that the economic policies and practices of organisations like the WTO, World Bank and IMF were having a negative impact on peoples' lives - especially those living in developing countries.

Seattle got the message across that if governments don't pay attention to basic human rights at the workplace, to making trade achieve benefits for women and men in developing countries, and to addressing the environmental implications of globalisation, then the whole agenda of world trade talks risks breaking down.

Of course, a lot has changed since then. Then again, a lot has stayed the same.

Even with the shift of the world's focus to other problems, the demonstrations against the policies of the international institutions have continued, with often tens of thousands of demonstrators in the streets against their policies. Most of these demonstrators, as was already the case in Seattle, are trade unionists.

Neither in Doha, Qatar, in 2001, where a new round of negotiations was agreed (the Doha Development Agenda), nor in Cancun, Mexico, in 2003, did the issues of linking core labour standards and co-operation between the WTO and the ILO make any progress.

However, the WTO world looks somewhat different after the failure of the 2003 ministerial in Cancun. It became clear that, amongst other things, a group of developing countries, often known as the G-20 or G-22, operating together, may now be feeling that they may be powerful enough to challenge the power traditionally held by the large developing countries.

The non-result of the Cancun ministerial is an indication that the needs of developing countries need to be tackled and that the social problems of trade need to be confronted before any progress can be made on trade treaties.

It is unclear, however, what direction trade negotiations are going to take in the near future. There is, for example, the danger that more negotiations will be dealt with bilaterally, with one stronger country imposing its conditions on a much weaker one, leading to unequal agreements that do not help the developing countries either.

Alongside the linkage with trade, the international trade union movement has also insisted on linkage with investment issues. At the WTO, the OECD and with UN agencies, in particular the United Nations Conference on Trade and Development (UNCTAD), the Global Unions have argued that investors must have responsibilities for good behaviour associated with new investment rights. National governments should maintain and, in many cases, increase their respect for basic workers' rights as part of international investment agreements. The failure of the Multilateral Agreement on Investment (MAI) in 1998 showed that future agreements must be more balanced and respond to the concerns of trade unions and other elements of civil society.

The discussion has continued inside the WTO, where the investment issue is currently no longer on the agenda, partly as a result of the failure of the Cancun ministerial. However, it could resurface at the next trade round or, in another form, somewhere else.

Global Unions also bring the issue of workers' rights and/or their links to trade and investment agreements to many other fora and institutions, as there are many places where these and other issues are being discussed and where policy can be influenced. Workers' rights are an integral part of the discussions the Global Unions have with many countries, groups of countries (trade blocs, regional bodies, etc.), or with other institutions, such as the various bodies of the United Nations or large international NGOs.

The participation of many GUF leaders and of the ICFTU and TUAC, as well as of the WCL, in both the World Economic Forum (traditionally in Davos, Switzerland) and the World Social Forum (traditionally in Porto Alegre, Brazil, and in 2004 in Mumbai, India) are two examples of international trade union presence in large international fora.

Of particular importance are the regional economic and trading blocs - for example, the European Union and NAFTA - that have developed. These also limit the prerogatives of individual governments, in part because multinational enterprises were able

to influence this development of regional and other trade and investment policies and agreements. MNEs managed to see their interests reflected. Measures to protect investors are increasingly incorporated in regional agreements and hundreds of bilateral agreements. Trade unions are therefore increasingly playing a role in relation to the growing number of bilateral trade and investment negotiations.

At the regional level, the ICFTU Regional Organisations, AFRO, APRO and ORIT, have promoted workers' rights in the context of regional and sub-regional trade and economic agreements, as well as providing support to global efforts.

In Europe, the ETUC has fought to include the social dimension in all aspects of European integration. A good example of this is the European Union Generalised System of Preferences (GSP), which now includes all basic workers' rights as a result of a trade union campaign by the ICFTU and the ETUC.

THE GENERALISED SYSTEM OF PREFERENCES (GSP)

The GSP is a system providing either reduced tariffs or no tariffs for a significant range of exports from developing countries. It was first set up in 1971 and is formally recognised by the WTO. GSP schemes are operated by the overwhelming majority of industrialised countries, including the United States, Canada, Japan, Norway, Switzerland, Australia and New Zealand, as well as the EU.

The EU, in addition to the USA, implements workers' rights clauses as part of its GSP. The USA already included workers' rights as a condition for access to its GSP since 1984 as the result of efforts by the AFL-CIO. Under this procedure, many countries have been subject to investigation and some countries have lost their GSP status as a result of violations of workers' rights. In some such cases, the countries concerned have undertaken sufficient steps to improve respect for workers' rights (such as amending their labour laws or allowing trade unions to hold free congresses) in order for them to be re-admitted to the United States' GSP.

Since 1995, as a result of a long-term trade union campaign, the EU has included the prohibition of forced labour within the EU's GSP. Following that, an ICFTU/ETUC submission in June 1995 led to Burma's indefinite suspension from the EU's GSP. As of 1998, the EU has implemented incentive clauses, providing for further tariff reductions, to benefit countries respecting and implementing all the core ILO labour standards, with the exception of those dealing with discrimination.

In December 2001, the European Union (EU) adopted a new generalised scheme of preferences (GSP) to cover the period from 2002 to 2004 (later extended to the end of 2005). The new GSP maintains the incentive clauses, along with new provisions extending the possibility of the denial of GSP benefits to states violating any of the core labour standards (so all ILO core labour standards are included as of now). Using those new provisions, trade unions called successfully for an investigation to be launched in January 2004 into the eligibility of Belarus for GSP benefits in view of its violations of freedom of association.

THE WORLD COMMISSION ON THE SOCIAL DIMENSIONS OF GLOBALISATION

The long-awaited final report of the World Commission on the Social Dimensions of Globalisation, published in February 2004 under the title, "A Fair Globalisation" contains many recommendations that reflect policies the international union movement has been advocating for some time.

One of the central ideas of the report is that all organisations in the multilateral system need to deal with international economic and labour policies in a more integrated and consistent way as a basis for economic development and social justice. Trade union reactions to the Commission report have considered it a mostly progressive document containing much that the international trade union world would support strongly.

Among the many significant international policy proposals are the following:

- The capacity of the ILO to promote respect for core labour standards should be reinforced;
- There should be stronger action and wider social dialogue to promote decent work in EPZs and more generally in global production systems;
- Formal structures for consultation with the international labour movement and the business community should be established in international institutions such as the WTO, the World Bank and the IMF;
- The organisations of the multilateral system should examine their own procedures to ensure that there is coherence of action with respect to universal values and human rights, to implement them better in practice and to improve international dialogue;
- International organisations should launch Policy Coherence Initiatives in which they work together on the design of more balanced and complementary policies for achieving a fair and inclusive globalisation;
- A Globalisation Policy Forum should be established by interested international organisations aiming to achieve a fairer form of globalisation. The Forum would be a platform for regular dialogue between different points of view on the social impact of developments and policies in the global economy. This Globalisation Policy Forum must bring about cohesion between the international institutions on social issues.

Other significant proposals concern the need for fairer treatment of developing countries in the international trading system and a whole series of recommendations to improve global governance, including proposals for a UN economic and social security council and a global council on global governance.

The World Commission report also underlines the essential role of collective bargaining in promoting productivity, ensuring equality and giving workers a voice at the workplace. However, it is key that the role of trade unions is supported by international organisations. The report targets the responsibilities of the international institutions and stresses the role they must play in ensuring that fair labour standards are not undermined.

The World Commission on the Social Dimensions of Globalisation was established by the ILO Governing Body in November 2001 and began its work in March 2002. Although serviced by the ILO secretariat, it was not an ILO body and the 26 Commissioners participated in an individual capacity. The Commissioners included trade union leaders John Sweeney from the AFL-CIO in the US, Zwelinzima Vavi from COSATU in South Africa and Bill Brett, then Chair of the Workers' Group at the ILO, as well as prominent academics like Joseph Stiglitz and socialist politicians such as Giuliano Amato (Italy) and Ernst von Weizsaecker (Germany). Among less progressive Commissioners were various employers' representatives, more conservative politicians, and academics from India and China.

The national response

This guide emphasises the role of international trade union co-operation in meeting the challenge of globalisation. An important part of making progress at the regional and international levels on establishing a social framework for globalisation and rules for the global market is the full and effective involvement of trade unionists in their own countries. Collective action by governments is necessary if globalisation is to mean more than the sacrifice of social protections and workers' rights and the erosion of democracy.

Democratic governments still respond to national concerns. The success of efforts to re-link social and economic progress will depend on the activities of trade unionists where they live and vote. Trade unions must shape the national response to globalisation by putting pressure on their governments to support and not inhibit constructing the international framework. Pressure of the global marketplace and international competition has all too often led many governments to adopt the wrong response by de-linking social and economic progress.

Social dialogue between governments, trade unions, employers and other representative bodies is also necessary to build consensus over national social and economic development goals and means of action. Strong social institutions, including free trade unions, are vital to the development of human resources and the mediation of disputes about the allocation of resources.

Future competitive advantage will lie with those countries that have strong social cohesion built on investment in education and training, health care and a sound industrial relations system, founded on core labour standards. The most successful countries, both developed and developing, will be those with institutions that are able to balance the market pressures for flexibility and dynamism with the social pressures for security and dignity. People must be entitled to a say on their terms and conditions of employment, and on economic development.

BELARUS – INTERNATIONAL ACTION ON TWO FRONTS

Campaigns to reach a common goal are usually not limited to actions in one specific area. In many cases (if not most), various campaign tactics are applied and different levels come into play. The campaign for workers' rights in Belarus serves as a good example of this, as within a few months, both the ILO and the European Union took action as the result of campaigning by the ICFTU and others.

The ILO level

In November 2003, the ILO decided to set up a 'Commission of Inquiry' into allegations of serious abuses of workers' rights in Belarus. The establishment of a Commission of Inquiry is one of the ILO's strongest procedures available to its supervisory bodies to seek redress to abuses of workers' rights and is only used in the most serious cases.

The tripartite Governing Body decision (governments, employers and trade unions) followed a complaint made by workers' delegates at the June 2003 International Labour Conference in which trade unions denounced arrests, imprisonment, harassments, dismissal and threats against independent trade unionists in Belarus, as well as the takeover by allies of President Lukashenko of the country's national trade union federation. Details of violations of Freedom of Association were documented in a series of complaints lodged by Belarus independent trade unions and the international trade union organisations since 1996.

The European Union level

In January 2004, the European Commission accepted the trade unions' proposal for the Commission to open an investigation into violations of core labour standards in Belarus, under the procedures of the European Union's Generalised System of Preferences (GSP).

If the allegations are found to be justified, Belarus risks losing hundreds of millions of euros of exports to the European Union as soon as its preferential trading status is revoked.

5. MULTINATIONAL ENTERPRISES

The international trade union world has devoted much attention to multinational enterprises as their role in the world economy has increased steadily in the decades following the Second World War. At the beginning of this new century, the combined sales of the top 200 corporations exceed the combined GDP of all countries minus the largest ten. More than 50 of the world's leading 100 economies are MNEs, not countries.

The conduct of MNEs is not necessarily better or worse than that found in purely national or local companies. They are, at times, better placed to carry out improvements in working conditions and development. However, they can also help drive a race to the bottom.

Foreign direct investment (FDI) is a very important factor in all this, as it is one of the main forces behind the growing power of MNEs. FDI involves more than multinationals establishing a facility in a country. It includes a wide and complex variety of investments, joint-ventures and co-operation schemes. FDI may be the purchase of controlling interests in established enterprises, including privatised state operations, joint ventures with national firms or other MNEs, consortiums involving several companies or other forms of co-operation, including licensing and operating agreements.

MULTINATIONALS – SOME FACTS AND FIGURES

- The global stock of FDI, owned by some 64,000 MNEs and controlling 870,000 of their foreign affiliates, continues to grow each year. The total amount of FDI world-wide increased by 10% in 2002 to more than US\$ 7 trillion, in spite of the fact that the total flow of FDI for that year was much lower than the year before (US\$ 653 billion in 2003, US\$ 651 billion in 2002, US\$ 824 billion in 2001 and US\$ 1.400 billion in 2000).
- In 2003, the level of FDI was comparable to that of 2002. It was expected to grow again in 2004. The FDI flow for 2002 was up more than 14 times since 1980.
- Value added by foreign affiliates of MNEs in 2002 (US\$ 3.4 trillion) was estimated to account for about 10% of world GDP (Gross Domestic Product - the total market value of all final goods and services produced in a given year) doubling the share of 20 years ago.
- FDI continues to be more important than trade in delivering goods and services abroad: global sales by MNEs reached US\$ 18 trillion, as compared with world exports of US\$ 8 trillion in 2002.
- MNEs employed more than 53 million people abroad, which is three times the number in 1982.
- FDI stock is concentrated within the Triad (European Union, Japan and the United States), with around 80% accounted for by the world's outward stock and 50%-to-60% by the world's inward stock.
- The inward stock of FDI of developing countries amounts to about one third of their GDP, compared to just 10% in 1980.

(source: UNCTAD World Investment Report 2003 and World Economic Situation and Prospects 2004)

MNEs and trade unions

The overall behaviour of MNEs has changed over the last decades. Multinational organisations are different organisations than they were 20 years ago. One trend, for instance, is the change of management methods towards more important local organisations. It is often no longer a question of one big decision maker at the top and a lot of followers. As companies grow bigger, more responsibilities are given to local management. Sadly, lower national social standards may be one of the reasons for this change. It is in this context that good and enforceable corporate business principles and a global social partnership become important.

Globally, and on many levels, the nature of business relationships has changed. In many cases, this changing nature of business relationships brings enormous challenges with it for trade unions. Bargaining structures do need to change along with the changing business structures, or they run the risk of getting outdated or invalid.

One of the better-known examples is the fact that multinational enterprises are, in many sectors, getting more and more into the business of outsourcing. In some extreme cases, large and well-known multinationals are in fact no longer producing anything. Products are bought from suppliers, with whom they have a relationship that is much looser than the companies had with their own subsidiaries before. In some cases, the multinational enterprise itself turns out, in the end, to be not much more than the advertising leg of the production chain, responsible for promotion and selling of the product only.

Under these circumstances, companies claim they have less influence over the production process. In fact, as they are in an often unequal buyer-seller relationship, many of them are using this as an excuse not to have to interfere. The suppliers, often small companies that operate through middlemen, on the other hand, feel they have to compete in the race to the bottom, as they may otherwise be locked out of the benefits of globalisation. “If I don’t do it, someone else will”.

In dealing with MNEs, it is important, but not always easy, to identify the real decision-makers in the company. For example, on labour relations issues, the head office often says that all decisions are made by local management. Local management may say that they have no control because decisions are being made elsewhere. Although decision-making is, in fact, not the same within every company, one must assume that there is some role for the parent company. It may be necessary to establish that the ultimate responsibility is at the headquarters level, especially if corporate behaviour violates fundamental workers’ rights.

Another aspect of globalisation is the increasing power of MNEs. MNEs have the power to disrupt collective bargaining agreements or bargaining structures. With the ever present threat of relocation to countries with low wages, low standards and a low degree of organisation, MNEs are in a strong position to put pressure on trade unions and their workers, as well as on their governments, to accept whatever they are proposing.

Also a consequence of the new “world order” is the ability for MNEs to do business in countries which were inaccessible a few years ago. MNEs have the possibility to operate in countries where external control of their practices is difficult, if not impossible. For example, China, a country where independent unions simply do not exist,

has attracted a large amount of FDI over the last few years. Add to this a very complex structure of subcontractors, sub-subcontractors (often with steps further down the line), suppliers, outsourcing, networks, etc., and the need for strong international trade union structures, with the necessary expertise and financial resources, becomes more than apparent.

GUFs are the key organisations in the area of dealing internationally with MNEs. They are the best-placed organisations for dealing with problems arising out of these complex situations, simply because this is their field of work and they have the experience, the information, and the necessary connections with trade unions from their industries all over the world.

GUFs engage in campaigns aimed at multinational enterprises in their sector or industry, in an effort to defend workers' rights in a particular company, while using their relations with and their knowledge about these companies.

Of course, this is for when things already have gone wrong and a problem exists. The work of the GUFs goes much beyond this. The GUFs have day-to-day relations with many multinational enterprises. Some of these relations are better than others, but, in general, most of the work involves discussions and negotiations with companies, rather than solving ugly disputes through large international campaigns. GUFs have established good working relationships with many companies, allowing them to solve problems before they arise but also allowing them to bring up new issues for discussion. The work being done on AIDS is just one example of this.

MNEs and governments

As they grow bigger and more powerful, MNEs become more important for their respective governments. They are seen as important contributors to their home economy and may become part of government foreign policy priorities.

This indirect pressure – which in many cases gets much more direct through lobbying by powerful company associations – means that, next to the governments of the most developed market economies, companies also help determine the economic policies of the key multilateral financial institutions. These, in turn, promote an agenda of privatisation, deregulation, and encouragement of foreign direct investment, thereby further strengthening the position of MNEs. Even though international institutions, such as the WTO, do not foresee a direct representation by multinational companies in their structure, it is clear that this does not mean that these companies don't have an influence.

As a direct consequence of privatisation, MNEs are also playing an important role in the public services sector world-wide, where some of them are more motivated by profit than by service to the public. In many countries, MNEs already operate in a wide range of areas that have traditionally been part of the public sector. Some examples are: utilities (water, energy, telecommunications and transport), public services (environmental services such as refuse collection, health care, prisons, housing, social services, etc.) and support services (cleaning, catering, information technology, finance, facilities security, etc.).

Export processing zones

The growing role of MNEs in the world economy has affected the behaviour of national and local governments. Sometimes it seems as if there is as much or more competition among governments for investment than there is among companies for market share. There are all kinds of incentives, from tax holidays and infrastructure construction to training assistance and special laws.

One such incentive is the creation of Export Processing Zones (EPZs), also called Free Trade Zones (FTZs), which allow parts to come in, be assembled or processed and exported without entering into the domestic economy, thus avoiding customs payments. EPZs can be found in all regions of the world.

In very many cases, trade unions are not allowed in EPZs. In some countries, labour law creates an exception for EPZs, making it perfectly legal not to respect trade union rights inside an EPZ. In other countries, it simply is usual practice not to allow any freedom of association or collective bargaining in these zones. In those cases, the government just does not take up its responsibility to make sure that labour law is respected, usually either because it does not want to or because it is not capable of doing so.

Problems in the zones include non-observance of national legislation, constant threat of dismissal, wages swindles, abusive working hours and a bad health and safety environment. There is also a heavy concentration of women workers in export processing zones. They are often subjected to ill-treatment and violation of their rights, and, in some cases, to extreme exploitation and abuse. Workers in EPZs are usually employed when they are young and are often dismissed after a few years of service.

Most EPZs are in existence because it is believed they contribute to the economic development of a country. In fact, this has not been true for most of them. There are a number of reasons for this.

- The investors usually limit their activities in the EPZs to simple processing operations, thus limiting the transfer of technologies and skills.
- One of the main contributions to the country's economy is supposed to be increased employment. However, most jobs are poorly paid, low quality and involve few skills.
- A very small share of the foreign currency earnings generated remains in the country.
- The foreign investments are not secure and can be withdrawn from the country with relative ease, as seen with the numerous companies that have left the EPZs of various countries to relocate in China;
- The investors often import all they need and source very little from the local market.

The international trade union movement is particularly concerned about exceptions to labour laws and/or practices such as investment incentives. Sometimes such exceptions are part of EPZ creation or may even apply to whole regions or countries.

More information on EPZs can be found in the ICFTU brochure entitled: "Export Processing Zones: Symbols of Exploitation and a Development Dead-End". The brochure is available on the ICFTU web site: "<http://www.icftu.org/www/pdf/utoepzreport2003-en.pdf>". It can also be obtained through contacting the ICFTU.

LIFE IN AN EXPORT PROCESSING ZONE IN THE PHILIPPINES

Extracts from an ICFTU publication "Philippines, a union foothold in the export processing zones". This publication can be obtained through contacting the ICFTU. It is also available on the ICFTU web site: http://www.icftu.org/www/pdf/briefing_philippinesE.pdf.

- "Compulsory overtime is also a fact of life in the Taiwanese company This Is It Inc., which produces micro-computers". "Occasionally workers have to work up to 23 hours in a shift (15 hours at a stretch) without a break "in order to meet orders". Those who do not do the overtime receive severe punishments, are accused of serious offences, or are sacked. One woman fainted from exhaustion and hunger after the company decided to increase overtime substantially as a punishment following the trade union's request for voluntary recognition by management."
- "In a Filipino factory producing baby clothes for the JC Penney, Sears Roebuck and Little Betty Brands"... "each week the management distributes the drug Duromine Phentermine to workers on the night shift, to prevent them falling asleep. Duromine, whose effect can last up to 24 hours, causes a rise in adrenaline, leading to a quickening of the heartbeat and blood pressure, which have knock-on effects such as dryness of the mouth, insomnia, and constipation."
- "When Andres was summoned to the manager's office at the Korean textile factory he was working for in Angono (Rizal), the employer asked him to sign a letter of resignation and a blank sheet ... on which he would add a statement whereby he apologised for the harm caused to the firm through the establishment of a trade union in December 2002. When Andres refused to sign and asked to be made redundant instead of resigning, the manager took out a 45-calibre pistol from a drawer and pointed it at him. "The manager warned me he would shoot if I didn't sign the papers", stated Andres. Whilst Andres was in the manager's office, the other 149 workers at the factory were forced to sign a petition calling for his resignation, and promising not to support the union."
- At the same company, in November 2002, "a woman in her 7th month of pregnancy fainted from exhaustion. Nobody dared to help her. One of the line managers, Elena Santos, who offered to help her colleague, recalls "the production manager told me it was none of my business since she wasn't on my production line."
- "Since January 2002, YYY Corporation, a Korean bag manufacturer supplying the Jansport, Eddie Bauer and Outdoors labels, which are exported to the USA and South Korea, has used a "card access" system for going to the toilets. 110 workers share a single access card and only one worker at a time may go to the toilets. According to Nida, a machinist who has developed a urine infection: "no-one stays there long as it's really dirty. No cleaners have been brave enough to clean those toilets". This is causing real problems for the workers since the canteen is right next to the toilets - none remembers when the toilets were last cleaned."
- "This factory employs 99.9 % women, on average between 18 and 23 years old. They are calmer than men, observes the chief engineer of the factory, which supplies major Korean firms like Samsung and Hyundai, though also American firms like Motorola and IBM, European firms Alcatel, Grundig and Philips, and Japanese firms Sanyo, Casio and Sony."

6. THE SOCIAL RESPONSIBILITIES OF BUSINESS

Globalisation has led to increased concerns about the relationship of business with the rest of society. These concerns have sparked a debate over the social responsibilities of business, stemming from both positive and negative causes.

On the one hand, many, both in the business community and among the general public, consider that business can have a constructive role to play in addressing today's most pressing social problems. There is a lot of interest in the "public-private partnerships", whereby business supports projects that address the needs of the wider society, while at the same time serving its own objectives. Examples would be business initiatives to tackle the HIV/AIDS epidemic or to provide quality training.

On the other hand, much of the momentum behind the debate arises from a growing public distrust of global business. All too often today, it is threats to relocate that define the relationship between multinational enterprises and communities. Public distrust is being fuelled by a culture of greed, as revealed through the seemingly unending series of scandals, involving corporate malfeasance and criminality, victimising both workers and shareholders alike. Many rightly question whether, given this long series of bad examples, many companies have any sense of responsibility or loyalty towards workers and communities. Another source of public distrust is the frequency of media reports (often well-founded) concerning the exploitation of workers in developing countries by companies.

Most of the situations that gave rise to the debate over the social responsibilities of business relate, in one way or another, to the failure of national governments to fulfil their role or, at the international and intergovernmental level, to the failure to develop international rules governing the behaviour of business.

Some argue that, as the power of companies has grown relative to the power of governments, business should do more for society. The problem, however, is that business activity can never replace the role of government. Nor can it protect all interests in society. It is the role of governments to ensure that contracts are fair and honoured, that debts are paid, that consumers are not cheated, that the environment is protected, that products are safe, that human rights are respected, etc.

In the end, the demand that business do more is not as important as the demand that governments make business more accountable. The main foundation of business accountability is law and regulation. These laws will usually be found at national level (although in some federal countries, such as the United States, many of the most important laws are at the state level).

This chapter begins with a discussion of the role that only government can have in holding business accountable to society. It focuses on the institutional and legal framework of corporate governance as one of the most important means for government to hold management accountable to both the shareholders and society as a whole. The concept of corporate social responsibility (CSR) is often confused with the concept of the social responsibilities of business. Both concepts are explained and contrasted. Many of the challenges of CSR for trade unionists are reviewed, including the attempt to have it substitute for the role of governments or for collective bargaining, the dan-

gers of private standard-setting in the social area, and the challenges associated with rating companies, as well as the challenges involved in deciding what companies should report on to the public, as considered by the Global Reporting Initiative.

The two most important international standards concerning the social responsibilities of business, the OECD Guidelines and the ILO MNE Declaration, are described. There is a discussion of the role and responsibilities of business with respect to human rights. The subject of codes of conduct is explored, and the difference between codes that apply to suppliers of a company and those meant to apply to a company's own operations is explained. Finally, the positive and negative experiences of working with the UN Global Compact are considered.

Corporate governance and accountability

There are many ways through which governments can hold business accountable. In addition to direct regulation, which obliges the company to perform (or refrain from) specific behaviour, governments also provide the legal frameworks within which a wide range of desirable behaviour is encouraged and facilitated. These frameworks set the “rules of the game” within which private activity takes place. One of the most important legal frameworks is the one that establishes corporate governance. Because corporations can control most of the productive assets, i.e. labour and capital, the system of corporate governance should be central to any consideration of the social responsibilities of business.

The rules and regulations for corporate governance apply to organisations that are joint stock organisations with limited liability, that is, to organisations that are shareholder-owned. Because these organisations, which are called corporations, are collectively owned by various shareholders, it is necessary for owners to delegate control to a different party, the management. A corporate governance framework defines the relationships between management and the owners of the corporation, i.e. its shareholders.

Corporations are brought into being as fictitious individuals by becoming “incorporated”. This legal incorporation is essentially a license, granted by government, to individuals who seek to act together according to certain rules. The government, in granting this license, is obliged to ensure that the corporation is accountable internally to its constituents, usually considered to be its owners and management (and sometimes its employees).

The government must also protect the interests of others, external to the corporation. Governments allow corporations to become established because they serve purposes that, although of value to individuals, are also of value to wider society, such as the creation of wealth. The government is, therefore, obliged to ensure that the corporation's activities are at least consistent with the needs of the society under whose laws it is established or permitted to operate.

One important part of the corporate governance framework is the issue of disclosure of information. This has both an external and an internal dimension. The external dimension involves the public reporting of financial information, based on the application of accounting and reporting standards that companies have to respect. Among other things, this information is essential for financial markets to work properly. The internal dimension of disclosure concerns the Board of Directors and, in particular, the

balance of power between executive directors (the management) and the non-executive directors on the Board.

Both dimensions are important for workers and trade unions. Externally, receiving true and fair financial information is necessary for collective bargaining, as well as for making investment decisions related to pension funds. Transparency of financial information is also essential for the protection of the integrity and stability of the financial market as a whole.

The internal dimension is also important. The organisation of the Board of Directors should ensure that the interests of all constituencies of the company are properly taken into account. This includes not just the interest of the shareholders, but also of the workers who contribute their human capital, as well as deferred compensation in the form of their pensions, to the success of the company.

Stealing is not the same thing as creating wealth. The corporate collapses and corporate scandals of recent years involved corporate insiders abusing their knowledge or authority in such a way as to betray their obligations to workers and shareholders in order to enrich themselves. Their manipulations were based on conflicts of interest that, while often illegal acts, were not being dealt with adequately by the existing corporate governance system.

This corporate misbehaviour has been partly responsible for the increase in intergovernmental co-operation over corporate governance issues, mainly with a view towards protecting shareholders and financial markets. The interests of other stakeholders have, regrettably, received less attention.

In 1999, the OECD Principles of Corporate Governance were adopted. These were revised in 2004. The OECD and the World Bank have agreed to work jointly in this area. TUAC has represented the trade union interests at many of these discussions, with significant results with respect to the rights of stakeholders. However, in spite of this work, the potential for corporate governance reform to provide a powerful check on management abuse is not yet fully realised.

Industrial relations and accountability

Another important legal framework for holding business accountable is the system of industrial relations under which collective bargaining takes place. Collective bargaining remains the most important private means to ensure that business activity has a positive social impact. Having good industrial relations is one of the most important social responsibilities of companies.

Collective bargaining shares an essential idea with corporate governance: that a company does not consist of its management alone. Even though collective bargaining usually takes place without any government involvement, a legal framework, established by the government, is important in order to sort out who the parties are to engage in collective bargaining. This framework is also needed in order to ensure that the rights of workers to bargain collectively are respected by the employer. Without a supporting legal framework, collective bargaining may not realise its great potential to make businesses behave responsibly. Without the framework, collective bargaining itself may not even be sustainable.

International accountability

Because of globalisation, there is now much more pressure on governments to cooperate, at the international level, in order to increase the accountability of business in several areas. One such area concerns standards of accounting and reporting. In this area, work is ongoing at different levels, such as the OECD, the EU, and the UN.

Another area at the international level is corruption, which has been the subject of much intergovernmental cooperation in recent years. Most of this discussion has been on bribery by business. This has led to the adoption of the OECD Convention on Bribery of Foreign Officials, which came into force in 1999. In addition to that, the UN has, in 2003, adopted the UN Convention against Corruption.

UNICORN: TUAC, PSI AND CORRUPTION

Over the last few years, several legal, voluntary and organisational initiatives have been developed in the area of corruption, including the earlier mentioned OECD Anti-bribery Convention and the World Bank Procurement Guidelines. The issue now, however, is to ensure that they are applied in practice.

UNICORN is a joint trade union project set up to fight corruption. One of its main aims is to create a trade union network for this reason. UNICORN is supported by TUAC, PSI and ICFU. It is located within the University of Cardiff in the UK and it was set up in May 2001.

UNICORN is producing policy reports. It is also participating in key international forums, such as at the OECD and World Bank. And it tries to identify and explore the potential of alternative mechanisms for changing the behaviour of international business.

UNICORN's objectives include:

- *Mobilising trade unionists in combating corruption.*

Corrupt governments are also those that suppress trade union and other human rights of their citizens. Where free and independent unions flourish, the incidence of corruption is lessened. Trade unions are therefore key stakeholders in the fight against corruption. They have a unique legitimacy within civil society as they are democratic, representative and globally connected. They are also financially independent of both government and corporations.

- *Improving awareness of and access to information on anti-corruption policies and practices, including contributing to a better understanding of the new political economy of corruption.*
- *Mobilising and working in partnership with other non-governmental actors engaged in anti-corruption activities.* For example, UNICORN is actively engaged in the work of Transparency International.

Some examples of what trade unions can do are:

- Monitoring the activities of MNEs and supporting initiatives aimed at holding companies to account, both locally and globally;
- Promoting socially responsible behaviour by companies: e.g. bringing cases against MNEs under the OECD MNE Guidelines or working with Transparency International on its new Business Principles for Countering Bribery;
- Monitoring privatisation and making demands for transparency;

- Campaigning for the inclusion of non-economic criteria in the awarding of public procurement contracts;
- Campaigning for legislation that protects whistleblowers;
- Campaigning for export credit agency reform, so that they take social and labour standards into account.

What corporate social responsibility (CSR) really means

Over the last few years, corporate social responsibility (CSR) has emerged as a concept that has had great influence on how many people think about the social responsibilities of business. It has become a big part of the debate on both globalisation and sustainable development.

It is important to know that “corporate social responsibility” is not the same thing as the “social responsibilities of business.” Nor is it the same thing as what some think the social responsibilities of business should be. CSR is about what management does, usually unilaterally. CSR is, therefore, not the same thing as regulation or the other legal frameworks that hold management accountable.

Although there is no single definition of CSR, the following elements are widely accepted as being the most important elements of the concept:

- CSR is about voluntary actions of management.
- CSR is concerned with the role of management. It is about management initiatives, management systems, and about how management manages social impact. Usually, it involves work that managers already do: measuring and improving performance.
- CSR is, more often than not, about activities that are considered “above or beyond” compliance with the law. Where it is about activities that fall within the scope of law, CSR assumes compliance with the law.
- CSR concerns the ongoing and regular activities of a business and does not deal with unrelated philanthropic activities, such as giving money to charities.
- The essential idea of CSR is that management should take into account the impact of ongoing business activities on all of those affected by its activities. It is one kind of business ethics. CSR can be contrasted with other concepts of business ethics, such as the one that stresses that the sole moral duty of management is to increase the wealth of the shareholders, or with those concepts of business ethics that are based on religious values.
- In the language of CSR, those affected by the activities of a business are referred to as “stakeholders”. CSR is about how an enterprise identifies, engages, and reports on its performance to its “stakeholders”.

CSR also goes by other names – notably “corporate responsibility” (CR), “social responsibility” (SR) and “Corporate citizenship”. Sadly, much of what is called CSR is just “PR” (Public Relations).

The current concept of CSR has many sources, one of which is concern over the environment. It is no coincidence that CSR has been described as “the business contribution to sustainable development”. This is why CSR is often organised along the three dimensions of sustainable development – economic, environmental and social – as identified by the United Nations ‘Earth Summit’, in 1992.

Many of the ideas associated with CSR were inspired by environmentalists. This is also true for the “business case for CSR”, which is the idea that responsible behaviour can be financially sound. The “business case” concept is based on the experience that less pollution can result in an “eco-efficiency” that saves money. The approach to identify the impact of all affected by business activity (the “stakeholders”) also reflects ecological thinking.

Furthermore, CSR emphasises the “voluntary private initiatives” and “public-private partnerships” that now take a prominent place in the sustainable development policies of many governments. In “public-private partnerships”, business supports projects that address the needs of the wider society, while, at the same time, serving business objectives. In this sense, because they now also serve business interests, these projects are very different from traditional philanthropy.

CSR is more than fashion or a hot topic - it has given birth to an industry of consultants and enterprises selling CSR services to companies. It has also become a part of the work - and policy - of many governments, as well as of intergovernmental organisations, such as the OECD and the European Union. Many NGOs have devoted much attention to the CSR idea. Some NGOs have even been created for this sole purpose. In addition, business organisations and “multi-stakeholder” organisations, consisting of business and NGOs, have been created to advance one or more aspects of CSR.

CSR is both a concept and a phenomenon. It is shaping the environment in which trade unions must work. It is not something to be embraced, rejected or ignored. Trade unionists must take a nuanced approach and recognise both the dangers and opportunities in CSR.

Who are the real stakeholders?

CSR has popularized the term “stakeholders”, which is now used extensively when the relationship of business to the rest of society is considered. The term is, therefore, exerting a strong influence on our thinking. Unfortunately, its meaning has changed and, as the word is most often used, it obscures more than it clarifies relationships.

The term “stakeholder”, which has an important use in the debate over corporate governance, was intended to contrast with the term “shareholder”. In this view, stakeholders, like shareholders, are those that have an identifiable interest in the success of a corporation. As with shareholders, the interests of stakeholders need to be taken into account. In this sense, workers and communities can often be considered as important stakeholders in specific companies.

In the new CSR language, however, the meaning of the term ‘stakeholder’ changed to include anyone that is affected, in any way, by the activities of business. The term no longer referred to a specific party in a specific relationship. In its new use, it is not expected that stakeholders name the specific company in which they hold a “stake”. In practice, the term usually is used as just a synonym for “organisation”, or for “NGO”.

Sometimes the term replaces words such as “workers”, “consumers” or “environmentalists”. In these cases, the term has less meaning than the words that it is replacing.

There is a moral dimension to stakeholders’ claims in the term’s earlier and more precise use. The reason why claims of stakeholders should be taken into account is that it is in the interest of society. The interest of society as a whole includes, among other things, secure employment, the fairness of contracts and financial transparency. Some claims are going to be more important than others in this regard. One implication of this is that not every stakeholder is equal and therefore not entitled to the same treatment. These important distinctions are rarely appreciated by those using the term in its newer, broader and less meaningful sense.

It is not possible for companies to identify and engage all of their “stakeholders”, especially if the term is used in this broad sense. The practice has become for companies to engage with NGOs, as surrogates for the real stakeholders. This is regrettable as only rarely are these organisations genuine representative organisations. Many of them do not have any meaningful stake in any specific company.

Trade unions, which are among the most important representative organisations in society, are usually treated as ‘just one of many’ stakeholders. Worse, they are often overlooked. The result is that the term “stakeholder”, ill-defined as it is, may help business avoid responsibilities. As an example of how this term has become misused, a few representatives of democratic governments have begun to refer to citizens as “stakeholders.” Because these citizens have voting rights, it would be more accurate to consider them as “shareholders” when making any such analogy.

What the social responsibilities of business really are

The social responsibilities of business are the set of widely accepted expectations on how business should behave. These are the expectations of society as a whole. They can come in the form of laws or they can take non-legally binding forms. They can be legitimately defined in both formal and informal ways. For instance, they are set out formally where a democratic government, acting as the instrument of the entire society, adopts laws or regulations. They can also exist informally as widely shared cultural values expressed in various ways.

Sometimes, these social responsibilities are identified through social dialogue or tripartite consultation. At the international level, the two most important sets of expectations concerning the social responsibilities of business, the *OECD Guidelines for Multinational Enterprises* and the *ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy*, are in the form of non-binding, but universally applicable instruments.

Business does not have the legitimacy to unilaterally define its social responsibilities with respect to the rest of society. This is true even where the activities go beyond legally binding obligations. CSR, which is about what business does and about what it wants to do, must therefore not be confused with what society wants business to do.

CSR and the proper role of government

It is extremely important for trade unionists to clearly identify CSR as the voluntary concept it is - and not to treat it as a synonym for “the social responsibilities of busi-

ness”, which may or may not be defined in legally binding ways. One reason to make the distinction is that CSR is often seen, by governments and corporations alike, as a substitute or alternative to governmental regulation. CSR has therefore also become part of another debate, one concerning the role and responsibilities of government. This debate is usually over liberalisation, deregulation and privatisation.

Many promoters of CSR are advertising CSR as something demanded by the public. However, what the public is more likely to be demanding is greater accountability to the government, which is not what CSR is about.

There are many reasons to have binding rules concerning the social responsibilities of business. One is that there is not always a “business case” for responsible behaviour. In today’s competitive business environment, “doing the right thing” can sometimes be a real liability. Instead of arguing that there must always be “a business case for CSR”, companies should recognise that CSR can not replace legal frameworks and regulations.

Today, some national governments, and even the European Union, are considering making certain CSR practices (such as “social responsibility” - or “sustainability” - reports) legal obligations. Should this happen, these activities should no longer be considered CSR activities, as they would no longer be management driven.

One potential danger is that CSR might not only substitute the role of governments but also become a substitute for trade unions and collective bargaining.

Private standard setting and its dangers

It should be clear that business must not be allowed to unilaterally determine its social responsibilities. The problem is, however, how to prevent this from happening, given that the current interest in CSR is providing many opportunities for business to do precisely this.

CSR activities are already being used to reinterpret or redefine existing obligations and responsibilities. In many cases, the reason is to make it seem as if a company’s responsibilities and obligations are less than what they already are. For example, managers will, when describing their social responsibilities with respect to employees, almost never mention their responsibility to have good industrial relations. Nor will they explain the benefits to society of collective bargaining. This is even true for companies that have good collective bargaining relationships.

However, overlooking responsibilities is only one of the ways used by business to avoid responsibilities. Responsibilities can also be redefined. This often happens through formal statements such as company codes of conduct, or responsibility guidelines or principles. Another way to redefine or reinterpret responsibilities is through the various forms of standard setting, as found in many CSR initiatives.

Very few of the public pronouncements on social responsibility by companies, or business organisations, whether they are called “principles”, “guidelines”, “statements”, or “codes”, will mention trade unions or collective bargaining. In some cases, “freedom of association” is included in a longer list of human rights. However, even then, it is not always made clear that this freedom includes the right of workers to form or join trade unions. Where freedom of association is mentioned, it is usually qualified in some way, such as by adding “where lawful”.

One example of putting a “spin” on existing obligations is the pledge in the *Global Sullivan Principles for Corporate Social Responsibility* to respect “our employees’ *voluntary* freedom of association.” What is wrong with the language in this misleading code is that it suggests that not all kinds of “freedom of association” need to be respected. The meaning of Freedom of Association is well documented by the ILO and is understood by human rights experts. The expression “voluntary freedom”, as well as the implication that there is such a thing as “involuntary freedom”, is absurd.

CSR has resulted in a lot of new standards. Some standards are intended to meet the needs identified by management in carrying out company CSR programmes. Other standards are demanded by “stakeholders”, who want management to be able to prove that it is doing the right thing. These new standards are, most of the time, set by voluntary organisations that are created for this purpose. These organisations usually involve business and other organisations. They can therefore be considered a form of “private standard setting”.

The new private CSR standards come in two kinds. Some concern process, which is about how something should be done. Others concern substantive matters, which is about *what* should be done.

As to the first kind, CSR involves many processes. These include identifying social impact, measuring it, identifying ‘stakeholders’, engaging them, measuring performance, as well as reporting results. There is a big demand by business for “management systems” and other “tools” that can be used by management for these processes. One example of a CSR process standard is the AA 1000 which purports to provide guidance for companies on “stakeholder engagement.”

The second kind of standard involves substantive matters and concerns the scope of CSR. CSR can involve such a wide range of subjects that it would be difficult, if not impossible, to make an exhaustive list. Such diverse subjects as air quality, product safety, discrimination or corruption - to name only a few - can all be considered as possible aspects of CSR. These same subjects can be broken down into further subjects that could also be treated as aspects of CSR. (For instance, the subject “corruption” can be broken down into subjects such as “tax evasion” or “bribery”).

Subjects become aspects of CSR after the desirable or appropriate behaviour of management with respect to the subject has been identified. For example, where air pollution is the subject, then the CSR aspect of air pollution could be the responsibility of management to monitor and report factory emissions. Deciding which subjects are more important, and how they should be treated as aspects of responsible business behaviour, can also be a form of standard setting.

Private standard-setting in the social area can be, in the eyes of business, merely an extension of work they are already doing through technical standard setting. One example of this technical standard setting is the standardisation of products in order to make them interchangeable between brands. Another example is where every product is made in exactly the same way, so as to assure customers of product quality. This kind of standard setting is associated with the International Organisation for Standardisation (ISO), as well as with the national standards organisations that exist in most countries. Most of these are affiliated to the ISO. It was, therefore, not a surprise when, in 2004, the ISO decided also to get involved in setting standards in the area of social responsibility.

The processes that are associated with this kind of ISO standard setting have, in recent years, been imitated by other organisations. As a result, there are now many newly established “standards” that deal with various aspects of sustainable development or ethical behaviour.

Many of these standards are created so that a company or a product can be “certified”, as being in compliance with the standard. Being certified usually means that an “independent” organisation, authorised for this purpose, has “determined” that a company’s performance meets the criteria from a standard. A company can, once it is certified, then publicise its certification in advertising or in its “sustainability report.” In other cases certification means that a company is authorised to put a label on its products, informing users that the product, or a process involved in making the product, complies with the standard.

Standards or criteria are also used (or invented) to judge companies so that they can receive social responsibility “awards”. Such awards are increasingly bestowed by NGOs on their corporate donors, by business organisations on their members or by commercial enterprises, such as business magazines, on their business customers.

Who decides when a business is being “socially responsible”?

Much of this ISO-imitating private CSR standard setting is self-serving and involves the wrong people who are, more often than not, self-appointed. The processes often involve unrepresentative organisations claiming to be “stakeholders.” Many of these organisations do not have any meaningful “stake” in any corporation. Others do have a “stake”, but only in the sense that they receive significant financial support from companies. Not surprisingly, many corporations find it more comfortable to engage in dialogue with these organisations than with other, more genuine, parts of civil society.

The most serious problems occur where already existing and clearly legitimate standards, such as those on trade union or other human rights, are reinterpreted or overlooked with a view to obtaining business support (“obtaining corporate buy-in”). The mere fact that it is possible for private initiatives to develop CSR tools for management does not mean that these initiatives have the legitimacy either to identify the interests of society or to determine what the relationship between business and society should be. Only democratic governments, or institutions such as the ILO, which have the most representative organisations as constituents, have the legitimacy to formally set the social standards that deal with these questions.

Rating and reporting

A belief that business can solve problems, as well as fear of abusive corporate power, are two forces pushing CSR. Another force is business itself, which is using CSR as a strategy to avoid regulation. Some governments are yet another force, pushing CSR because they see it as a low-cost policy option. There are, however, other forces beyond these four ‘drivers’.

One is that CSR has become a serious and growing part of business for the industry that serves financial markets and investors. In addition, CSR has also become of great interest to the accounting industry. These industries see CSR as an extension of what they already do: determining the value of the company. Today, an increasing part of a corporation’s value is related to its reputation, its image, its projection of goodwill and

its brands. These assets are usually referred to as “intangibles”, because their value is difficult to measure in monetary terms.

These “intangibles” are important to the increasing number of investment funds that cater to ‘ethical investors’. These funds are a clear indication of the acceptance of Socially Responsible Investment (SRI). Protecting the ‘intangible’ assets of a corporation – sometimes described as reputation risk management – is the principal financial rationale behind SRI.

All of this has given birth to a growing number of enterprises that provide investors with information concerning the social responsibility practices of specific (usually large multinational) corporations. Meeting the demand for information by these ‘rating and reporting’ enterprises is one of the reasons why companies are producing increasingly elaborate and expensive “social responsibility” or “sustainability” reports.

Other enterprises, which are often related to accounting firms, have begun to sell “assurance” for non-financial reporting. This “assurance” is intended to correspond to the certification that financial accountants provide, after conducting an audit of a company’s financial report. Part of the enthusiasm for this activity comes from the accounting industry, which is anticipating that the reporting of financial and non-financial performance of companies will be merged in the future - by law - in many countries.

A lot of the visibility for CSR can be traced to the explosion in the number of new organisations and “initiatives,” as well as to the conferences, seminars and other events and to publications that are being promoted or otherwise supported by these two industries. There is a real danger of redefining or reinterpreting the social responsibilities in these activities. Rating agencies usually decide themselves on what it means for a business to be socially responsible, as they set the criteria they use in their rating system. The same applies to social responsibility reporting, where the company chooses the aspects of CSR that it reports on, and determines the criteria to be used in measuring its performance relative to these aspects.

A recurring problem is the confusion between the “sustainability” of an enterprise - which is the long-term financial viability that is of interest to investors - and the “sustainability” that is considered to be part of the concept of sustainable development and thus related to corporate social responsibility. The essential point here is that not everything that is good for a company is also good for society.

Another problem is that, if one wants to compare one company with another (which is what the rating companies do), the information collected needs to be quantifiable (which is what the accounting industry wants). The practice is for data to be collected and organised in the form of “performance indicators”, which measure the results of company activity with respect to some aspect of CSR. For many of the environmental and economic aspects of CSR, quantifiable information can be obtained that is also relevant, such as information concerning the number and size of oil spills or the amount of taxes paid.

As for the social dimension of sustainability, the experience so far is that aspects here are more intangible (hard to measure) than either the economic or environmental dimensions. Most “performance indicators” for the social dimension of sustainability are not really useful or relevant. Consider, for example, the number of days lost to

strikes, which is sometimes proposed as a performance indicator. It is difficult to imagine precisely what any such figure could indicate as it is a poor indicator of the quality of industrial relations, as well as for the respect for freedom of association, or even for “employee satisfaction”. The same figures could be present in situations where industrial relations were good, bad or nonexistent. They could be present in situations where freedom of association was respected or where it was repressed. Strikes can increase or decrease employee satisfaction.

It is difficult to find quantifiable measures that are meaningful measures of responsible social behaviour. This is true for measures that deal with the respect of human rights and for measuring the importance that management attaches to having good industrial relations. Of course, when confronted by the immeasurable, the typical management response is: “What cannot be measured cannot be managed!” The best response to management in these situations is in the form of a quote from Albert Einstein: “Not everything that can be counted counts and not everything that counts can be counted”.

In many cases, the transparency of a company will not really be increased by publishing performance indicators, as these indicators are usually not the best kind of information that can be used to hold a company to account. Often, the kind of information that can do this is not usefully comparable. The names and location of suppliers and partners is an example of information which is useful for holding a company accountable, but which is not especially useful for comparing one company with another.

There are many challenges for trade unions related to rating and reporting. Sometimes rating agencies will approach trade unions for information concerning specific companies. In certain circumstances, this can raise ethical questions such as where the agency offers to compensate the trade union for information that the agency intends to sell as proprietary information. Other questions are raised where trade unionists are invited to serve on an “Advisory Board”, formed by the agency to establish its credibility.

Deciding what should be reported on is one of the most important forms of standard setting. A number of the global trade union organisations have, for this reason, become involved with the Global Reporting Initiative (GRI). The GRI was established to develop and promote - at a worldwide level - the use of a common set of reporting standards, for use by companies in the preparation of their “social responsibility” or “sustainability” reports.

The GRI Guidelines are not a code of conduct, but are intended to help companies decide what they should report on, and how. They contain general principles concerning the reporting process, as well as recommendations with respect to the content of reports, including performance indicators. Many of the problems that were identified with private standard setting earlier are present in GRI. After careful consideration, the position was taken that it is better for trade unions to be present where it is decided what business should report on.

The GRI is intended to play a role that is similar to the role played by accounting standards bodies, but for non-financial information. In the GRI governance structure, trade unions have a distinct identity. Two seats on the GRI Board are held by international trade unionists. Six of the 60 places in the larger Stakeholder Council are reserved for trade unionists, selected by the international trade union movement.

The GRI issued its first set of Sustainability Reporting Guidelines in 2000, and released a revised version two years later. Trade union representatives participate in various GRI committees. Some of these committees develop sector supplements and other committees look into issues such as “assurance”. The main trade union interest in reporting standards is to ensure that reporting standards are consistent with the authoritative internationally recognised instruments, including the ILO standards.

More information on the GRI can be found on its web-site:
<http://www.globalreporting.org>.

The internationally recognised standards of social responsibilities of business

Trade unionists should be familiar with the two most important international instruments that address the social responsibilities of business. These are the International Labour Organisation’s *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* (the ILO MNE Declaration) and the *OECD Guidelines for Multinational Enterprises* (the OECD Guidelines). Both instruments were created in the 1970’s, at a time when the behaviour of multinational enterprises became a major issue for intergovernmental organisations. At that same time, the United Nations established a Commission on Transnational Corporations and also began work on a “UN Code of Conduct for Multinational Enterprises.” The ILO and OECD instruments were adopted with this possible UN code in mind. The UN code itself never materialised, however.

The ILO MNE Declaration

The ILO MNE Declaration is the most universally applicable and authoritative statement concerning the relationship of business to social development. The stated purpose of the declaration is “to encourage the positive contribution of multinational enterprises to economic and social progress” and “to minimise and resolve difficulties to which their operations may give rise.” The declaration consists of 59 paragraphs organised into four sections: General policies, Employment, Conditions of work and life, and Industrial relations.

The Declaration was adopted by the Governing Body of the International Labour Conference, in 1977. It was revised in 2000. Both processes involved extensive consultation and negotiations between representatives of governments and employers’ and workers’ organisations.

The instrument reflects an agreed understanding by governments, employers and workers that, although ILO Conventions and Recommendations address the responsibilities of governments and are intended to be applied by governments, many of the underlying principles of these instruments can be applied by business as well. This is a clear rejection of the argument sometimes made by business interests that, as ILO conventions address the responsibility of governments, they should not be applied to business activities.

One aspect of the ILO MNE Declaration is especially useful when considering the CSR concept. The Declaration does not expect corporate management to define or implement their social responsibilities unilaterally. Instead, it envisions consultations between governments and national employers’ and workers’ organisations. Moreover,

it calls for MNEs to take “established policy objectives into account”, as well as to be “in harmony with the development policies” of the country concerned.

Trade unionists should also be aware that the ILO MNE Declaration recognises the important social role of corporations to create employment. Too often, many people forget that the creation of decent jobs is a social responsibility of business.

It was envisioned that the ILO MNE Declaration would have two adequate and credible follow-up mechanisms. The first was to be an interpretation procedure, which would provide an opportunity to “clarify” the meaning of this Declaration in specific instances. Trade unionists expected to be able to raise cases concerning the behaviour of companies as part of this process. The second mechanism was to be a periodic “survey of the effect given to the Declaration”. The survey was to be designed to elicit responses from governments, as well as from employers’ and workers’ organisations. It was hoped that the survey could be used to highlight problems and that it would encourage governments to take the Declaration and its implementation seriously.

Unfortunately, employer opposition to the first mechanism has made it extremely difficult to get the relevant ILO committee to agree to consider “requests for interpretation” as being “receivable”. The procedure is, therefore, now considered useless. The second mechanism - the survey - has not proven to be of much practical value for trade unionists either. Most of the responses come from governments, who review their laws, but do not provide much useful information about the actual situation with respect to MNEs and their behaviour in their respective countries.

The ILO MNE Declaration can be found here: <http://www.ilo.org/public/english/employment/multi>

The OECD Guidelines

The OECD Guidelines are “recommendations addressed by governments to multinational enterprises.” They are complementary to, and consistent with, the ILO MNE Declaration. The MNE Declaration contains more guidance on employment issues, whereas the OECD Guidelines cover a wider range of subjects.

The OECD Guidelines were adopted in 1976 and revised in 2000. They are part of the ‘OECD Declaration on International Investment and Multinational Enterprises’ and are organised into the following chapters: concepts and principles; general policies; disclosure of information; employment and industrial relations; the environment; combating bribery; consumer interests; science and technology; and competition and taxation.

Although the Guidelines are recommendations, and not legally binding, they are applicable to all enterprises that fall within their scope. Non-binding, therefore, is not the same as optional. Similar to the ILO MNE Declaration, it is not necessary for a company to “sign up” to the Guidelines first. The guidelines are the authoritative expectations of governments. Furthermore, the Guidelines need to be taken as a complete set. Companies cannot “pick and choose” provisions.

The scope of the Guidelines is large. All multinational enterprises that are based in the territories of the adhering governments (the OECD countries, as well as Argentina, Brazil, Chile, Estonia, Latvia, Lithuania, Slovenia, Romania and Israel) are expected

to observe the guidelines wherever they operate. In addition, the Guidelines also apply to companies from non-adhering countries for their operations inside countries that do adhere to the guidelines. Taken together, the OECD member countries are already home to most of the world's MNEs.

According to the Guidelines, the enterprises that fall within its scope are also expected to encourage their business partners, including suppliers and subcontractors, to apply compatible principles.

The OECD Guidelines have a more useful follow-up procedure than the ILO MNE Declaration. Every country adhering to the Guidelines is obliged to establish a National Contact Point (NCP). The NCP is responsible for promoting the Guidelines. The NCP is also obliged to contribute to the solution of problems that are brought to its attention. The procedure allows trade unions, or other concerned parties, to raise a case concerning the behaviour of an enterprise with respect to the Guidelines with an NCP. This procedure also obliges the NCP to follow-up according to well-defined steps. The object is to resolve the problem.

The international trade union movement gives high priority to using these procedures. Unfortunately, some governments adhering to the Guidelines have failed to establish credible or effective NCPs. Before raising a case with an NCP, trade unions should consult with their GUF, TUAC or with the ICFTU.

TUAC has prepared a Users' Guide to the OECD guidelines, which contains the Guidelines. It has, so far, been translated into 20 languages: French, Spanish, Portuguese, Italian, Hungarian, Czech, Russian, Estonian, Latvian, Lithuanian, Croatian, Romanian, Georgian, Korean, Japanese, Bahasa-Indonesian, Thai, Bulgarian, Turkish and Chinese. The Guide can be obtained from TUAC. The English version can be found on the TUAC website through this link: <http://www.tuac.org/publicat/guidelines-EN.pdf>

IUF, NESTLÉ AND THE OECD GUIDELINES

The Korean Confederation of Trade Unions (KCTU), in co-operation with the International Union of Food and Allied Workers (IUF) and the International Federation of Chemical, Energy, Mine and General Workers' Union (ICEM), filed a case with the Korean NCP at the end of September 2003.

The Swiss NCP was also informed of the case as Nestlé is headquartered in Switzerland. Nestlé had threatened to close its factory in Korea because of a collective bargaining dispute with the Nestlé Korea Labour Union. In a letter to the employees and in the Korean and international business press, Nestlé announced that they were considering moving their production to China, amongst other countries. This was an infringement of paragraph 7 of the chapter on Employment and Industrial Relations of the OECD Guidelines.

Nestlé in Korea came under heavy pressure to change its behaviour, not least from the parent company. In addition, on November 16, the Chungbook Province Labour Relations Committee ruled in favour of the union and, at the end of November, the strike, which had started as a result of the threat to relocate, came to a negotiated conclusion.

The Swiss NCP has played a constructive role in trying to resolve the case. Although the Korean NCP has the main responsibility to deal with the case, the Swiss NCP met several times with Nestlé and the unions involved. It also met with a labour delegation from Korea in November 2003. After a meeting in December, it was decided that the Swiss NCP should reinforce its suggestion to the Korean NCP to call a meeting with all parties, to attempt to reach agreement on the issues raised. If agreement could not be reached in Korea or if the Korean NCP failed to act, the Swiss NCP agreed to consult again with the IUF and with Nestlé in Switzerland. The process in Switzerland should result in an agreement of all parties or, failing that, with a statement from the Swiss NCP.

At the time of writing, the case had not yet been concluded because of the continued lack of cooperation from the Korean NCP. However, it is important to remember that the original problem was resolved - with the help of the OECD guidelines.

Business and human rights

Both the ILO MNE Declaration and the OECD Guidelines were revised in 2000 and both now incorporate all of the human rights identified by the 1998 *ILO Declaration on Fundamental Principles and Rights at Work and its Follow-Up*. These rights are known as the fundamental rights at work (see box chapter 3 for more details on the 1998 ILO Declaration).

Trade unionists face two very different challenges concerning the way these fundamental rights at work are used as aspects of CSR. One challenge is that they are not treated as human rights. The other challenge is that they are treated as the only obligations that business has towards workers.

Businesses and NGOs sometimes use the term “labour rights”. The difficulty with using this term is that “labour rights” and “human rights” are often, as a consequence, seen as two different things. And, as such, human rights are usually seen as more important. “Labour rights” and “human rights” are not two distinct kinds of rights.

There are, however, two different kinds of human rights: civil and political rights, on the one hand, and economic and cultural rights, on the other. These two different kinds of rights are distinguished in the two international human rights Covenants: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. These two covenants are UN treaties, based on the Universal Declaration of Human Rights. It is important to know that the right of workers to join or form trade unions and to bargain collectively with their employer is contained in both of these Covenants, as well as in the Universal Declaration of Human Rights.

Unfortunately, the fundamental rights at work have become, all too often, the only “labour component” of CSR. The emphasis given to the human rights identified in the 1998 ILO Declaration has made it easier for business to overlook many of its other obligations to workers. This is one reason why the ILO MNE Declaration and the OECD Guidelines are so important: their approach is far more comprehensive when it comes to the responsibilities of business towards workers.

The responsibilities of business to workers can involve many other basic human rights, in addition to those identified in the *ILO Declaration on Fundamental Principles and*

Rights at Work and its Follow-Up. Many of the rights set out in the Universal Declaration of Human Rights, such as the right to life, to just and favourable remuneration and to reasonable limitations of working hours, concern work and workers. Many labour laws, including on minimum wage, working time and health and safety regulations, could be said to flow from these rights. This is also true for many other labour standards, including a lot of ILO Conventions.

One example of how over-emphasising the fundamental rights at work can result in inappropriate behaviour concerns the world's first governmental "Social Label", which was established by the government of Belgium. Companies wishing to use this label must be able to show respect for the principles of the fundamental ILO Conventions. The first two companies that received the label for a particular product were service-providing companies, operating only within Belgium, where the award's criteria are considerably below what is already enforceable and enforced by law. The label therefore tells nothing about these companies that distinguishes them from most other companies. Consumers will be misled if they believe that this label is recognition for voluntary, or even exceptional, behaviour.

Companies do violate human rights (and must be stopped where they do). However, even where they do not violate them, companies, acting on their own or with other companies, often cannot guarantee that human rights will be respected, even in situations where companies should be able to guarantee their own behaviour. Sometimes, the exercise of a human right by one person will interfere with the ability of another person to exercise his or her human right. Problems often exist, for example, in relation to freedom of speech, where it is necessary to limit what one person is allowed to say in order to protect the rights of other persons. The problem of these competing claims is only one reason why the ability to enjoy human rights is almost always dependent on the rule of law. Government has the indispensable role in guaranteeing respect for human rights.

This relationship between government and human rights is, in fact, the real issue behind many of the codes of conduct adopted by business. A lot of these codes were adopted by companies that operate in countries where the government does not respect human rights. Often, these countries are dictatorships that suppress civil and political rights. One of the reasons for companies to adopt such a code is that they want to claim that they can operate in these countries without being complicit in human rights violations.

A human right often requires respect for other human rights before it can be exercised. This is certainly true for the rights of workers to form and join a trade union and to bargain collectively with their employer. Workers cannot exercise this right unless they are also able to exercise other important civil and political rights.

In 1970, the International Labour Conference adopted a resolution that reaffirmed this link between trade union rights and the civil and political rights found in the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights. The rights specifically identified by the resolution were: the security of a person; freedom from arbitrary arrest and detention; freedom of opinion and expression, including through media; freedom of assembly; the right to a fair trial; and the right to the protection of property of trade unions. The resolution stated that "the absence of these civil liberties removes all meaning from the concept of trade union rights."

The human rights obligations of governments are very different from the human rights obligations of other parts of society, including those of business. The important question is not so much to identify what the relevant human rights are, but to identify what the specific obligations for business are with respect to these rights.

In 1999, the United Nations Sub-Commission on Human Rights established a Working Group that began work on a new international instrument concerning business and human rights. In 2003, the Sub-Commission approved a draft text of the *Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with regard to Human Rights*. This text was then transmitted to the United National Commission on Human Rights for consideration.

The ICFTU has been following the development of this proposed instrument and sought to influence it. The ICFTU does not uncritically support or oppose this draft instrument. However, it has expressed some concerns. One concern is that the instrument was too influenced by popular CSR thinking and does not sufficiently distinguish between the human rights obligations of governments and those of business. Concern over the credibility of the yet undetermined interpretation and follow-up procedures has also been expressed. These procedures should not interfere with existing mechanisms at the ILO.

Codes of conduct and the supply chain

Some companies do business in countries where the government does not permit the exercise of human rights. What companies should, or should not, do in these situations is a central issue in one of the most important developments associated with CSR: company codes of conduct, also called ‘codes of labour practice’.

This development concerns companies that market brand name goods that are produced internationally. These companies usually sell products that they do not manufacture themselves. Instead, these companies “source” their products from other companies. Hence, the former are known as sourcing companies, whereas the latter are usually referred to as suppliers or sub-contractors.

As the products are produced through sub-contracting, this usually involves a series of complex international business relationships, referred to as “supply chains”, also known as “production chains” or “value chains”.

As from the early 1990’s, these sourcing companies began to formulate and adopt codes of conduct that dealt with the labour practices of their suppliers and sub-contractors. Most of the companies that adopted these codes were responding to negative publicity, generated by reports of dangerous and inhumane working conditions, starvation wages, brutality, or the widespread use of child labour. These reports mainly concerned the production of clothing, footwear and toys, produced in labour intensive manufacturing facilities, most of which were located in developing countries. They also concerned the production of many agricultural products.

These “codes of conduct”, or more precisely “codes of labour practice”, are sometimes also called “supplier codes”, as they are intended for suppliers and sub-contractors.

These codes received a mixed reaction from trade unionists. Some considered them to be just public relations, while other trade unionists believed that these codes should be

negotiated with trade unions. The problem was that the supplier codes addressed, in almost every instance, situations where trade unions were non-existent, or weak, most often because they were repressed by governments. In some cases, trade unions from the home country of an MNE sought to “negotiate” a code. However, this process was not credible as the workers concerned were not represented and the trade union became implicated in management policy over which it had no control.

The GUFs, as the worldwide representative organisations of workers in a specific industry or sector, are the only appropriate trade union organisations to negotiate with companies concerning their worldwide labour practices. In a number of cases, relationships and discussions between GUFs and MNEs have already led to the signing of framework agreements. It is important to realise, however, that framework agreements are a form of social dialogue and industrial relations. They should, therefore, not be considered or referred to as “negotiated codes of conduct” (for a discussion of framework agreements, see Chapter 9).

It is, however, possible for trade unions to engage sourcing companies over their supplier codes without becoming a party to the code. In 1997, the ICFTU, after an intense consultation process, adopted the ICFTU/GUF Basic Code of Labour Practice. This code was intended to be used by trade unions as a benchmark against which company codes could be compared. Companies could also be encouraged to use this benchmark as a model. Companies were not asked to sign up to it.

The main purpose of the basic code was to promote the use of the fundamental ILO standards in the supplier codes that were being formulated by sourcing companies. The idea was for freedom of association and the right to collective bargaining to become important code provisions. Another advantage of stressing the ILO standards is that, because they are intended to be universally applied, they can overcome the arguments made by some company representatives that companies should not impose their “values” on other cultures.

The full text of the ICFTU/GUF Basic Code of Labour Practise can be found here:
<http://www.icftu.org/displaydocument.asp?Index=990917146&Language=EN>

The ICFTU/GUF code had a major influence on other codes. Many of the well known “multi-stakeholder” codes that were subsequently developed were based on the ICFTU/GUF code. The best supplier codes now all stress the need to observe the fundamental rights at work.

These minimum standards are consistent with promoting collective bargaining. The requirements of these supplier codes do not necessarily need to go beyond these ‘basic requirements’, as the danger with more detailed supplier codes is that they can easily be used as a substitute for a collective agreement. It is important, however, that these codes explicitly indicate that they are setting minimum standards.

The two kinds of codes

There is a big difference between a code of conduct that is intended for suppliers or sub-contractors and a code of conduct that a company applies to activities that it owns and directly controls. As explained above, supplier codes should be based on internationally recognised minimum standards. It would be inappropriate for companies to apply these supplier codes to their own activities, as the existing expectations con-

cerning the responsible behaviour of business already go well beyond the respect of the basic human rights. There is, for instance, a big difference between merely respecting workers' freedom of association, on the one hand, and having good industrial relations, on the other. For those operations that they own or directly control, business should pledge to respect a far broader range of societal expectations, such as those set forth in the OECD Guidelines or the ILO MNE Declaration.

There is another reason to distinguish between a code that applies to the operations of the company adopting the code, and a code that is meant to apply to the supply chain of a company. The situation where one company seeks to assume responsibility for the labour practices of another company raises important questions that do not apply to activities that a company owns or directly controls.

One such important question is: How does a company know that its code is being observed by this other company? Obtaining true and reliable information about the actual situation of the labour practices and working conditions inside the operations of the supplying or sub-contracting company is a real challenge. Another question is: What will the company do if a supplier or sub-contractor is not respecting the provisions of the code? Other questions involve the credibility of claims that a company makes about the observance of its code in its supply chain, or about the activities that it undertakes in order to give effect to its code.

These questions, and the search for answers to them, continue to be controversial. They led to the creation of a new industry of "social auditors", who perform what is, essentially, private labour inspection. The search for answers also led to the start of various "multi-stakeholder initiatives". These initiatives usually involve sourcing companies and NGOs, co-operating in one way or another. Trade union organisations are also involved in some of them. Some of these initiatives receive financial support from governments, while others are supported by organisations that are the customers (the "end-users") of these sourcing companies. One such example are the US universities that source clothing and other goods that bears college and university names from well known sourcing companies (See box).

SUPPLIER CODES OF LABOUR PRACTICE MULTI-STAKEHOLDER INITIATIVES

Ethical Trading Initiative (ETI)

The ETI is a UK-based organisation. It was established in 1998 and is partially supported by the UK government. The main idea of the ETI is for sourcing companies to work in collaboration with NGOs and trade unions, in order to learn about the best ways to implement codes. Like most other initiatives, ETI has its own code, which is used as the basis for pilot projects and in the many working groups that ETI has established to look into various aspects of code implementation. Learning is shared through forums and publications, including a Workbook.

The three categories of member organisations (sourcing companies, trade union organisations and NGOs) are equally represented on the ETI Board. Unlike the other initiatives, the ETI has a significant number of member companies that market goods other than garments and shoes, such as food.

Corporate members must participate in ETI activities and provide the ETI secretariat with annual reports on their progress with respect to the code implementation. In addition to membership fees, the ETI receives some support from grants. This is similar to some of the other initiatives described here.

Currently, the ETI membership, in addition to trade unions, consists of 37 (mainly UK-based) companies, and 16 UK-based NGOs. Participating trade union organisations include the British TUC, the ICFTU, the IUF and the ITGLWF.

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E-mail: eti@eti.org.uk or Tel: ++44-20-74.04.14.63 or Fax: ++44-20-78.31.78.52

Fair Labor Association (FLA)

The FLA grew out of the Apparel Industry Partnership (AIP), which was an initiative of the US President Bill Clinton, established in 1996. The FLA itself came into being in 1998.

The FLA has as members around a dozen of the largest and best-known companies that market garments and shoes. In addition to companies, participating organisations include about 175 US-based colleges and universities. Approximately 1100 suppliers are taking part in the FLA's licensee program. All these suppliers are licensed by US-based colleges and universities to produce (mainly) sports related products that bear their school logos.

The FLA is governed by a Board that consists of the three categories of participating organisations (companies, universities and NGOs). These are equally represented. The FLA also has an NGO Advisory Council, which consists of representatives of around 30 NGOs and trade unions.

The FLA accredits other organisations that then serve as “independent external monitors”, investigating adherence to the FLA code in the supply chains of member companies. This happens through factory inspections and the filing of reports. In 2002, the FLA mandated the public disclosure of the results of these reports. Where non-compliance is identified, participating companies are required to implement a remediation plan. The FLA also has a confidential complaint procedure, which is open to any person or organisation.

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E-mail: heerden@fairlabor.org or Tel: ++1-202-898.10.00 or Fax: ++1-202-898.90.50

Fair Wear Foundation

Founded in 1999, the Fair Wear Foundation (FWF) is a Netherlands-based organisation that focuses on supply chains that produce clothing and shoes sold in the Netherlands.

Their governing body is a Board, which, in addition to an independent chairperson, consists of representatives from four categories (the Netherlands business association for garment suppliers, the Netherlands business association for garment retailers, trade unions, and NGOs). Each category has equal voting rights. There are around a dozen participating companies, which are all medium- or small-sized companies that are based in the Netherlands.

One of the main activities of the Fair Wear Foundation is to authorise others to report on compliance with its code within the supply chain of its member companies. In this sense, it is similar to the FLA. However, instead of assigning one organisation to investigate a supplier, the FWF prefers to assemble teams of individuals from different organisations for this purpose. These teams are drawn from its “local partner networks” (organisations and/or individuals) that it has established in various countries. The FWF is also putting a country-based complaint procedure in place.

Financial support for the FWF comes from special social funds, which were established as a result of sectoral collective bargaining (in two sectors: the garment sector and the retail sector).

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Social Accountability International (SAI)

In 1997, the Council of Economic Priorities (CEP), a US-based NGO, established the Council of Economic Priorities Accreditation Agency (CEPAA). This CEPAA, later renamed to Social Accountability International (SAI), was set up to administer the “verification” system that was developed for its SA 8000 “standard”, which is a code of conduct.

SAI is intended to be a standard-setting body that trains and accredits other organisations to certify compliance with its code (the SA 8000 standard). The idea is that a supplying company asks an organisation (which needs to be authorised by SAI to issue SAI certifications) to issue a certificate that indicates compliance with the SA 8000 standard. The supplier can then use this certificate to assure sourcing companies that its working conditions are consistent with the SAI code.

The SAI has three major documents which it considers as standards and which are revised from time to time. These are its code (SA 8000), the accompanying guidance document, and an “Accreditation Package” for organisations that want to become SA 8000 “certifiers”.

SAI is governed by a Board of Directors (currently seven members). The Board members alone have the power to decide who their successors will be. SAI also has an advisory board (currently 22 members) which includes representatives from companies, NGOs and trade unions, including from two international trade union organisations, ITGLWF and UNI. SAI charges organisations for the training and authorisation that they will need in order to issue certifications. SAI also receives support from various sources, including the US government.

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Workers Rights Consortium (WRC)

Unlike the other initiatives described here, the WRC does not have companies as members. Its focuses on the implementation of codes that are adopted by the approximately 100 US-based colleges and universities affiliated to the WRC. The provisions of these codes are to be respected by those companies that are authorised (licensed) by these schools to manufacture goods bearing their school logos.

The WRC was founded in April 2000 on the initiative of the ‘United Students against Sweatshops’ (USAS), partly out of disagreement with the rules and practices of the FLA at the time. In addition to the affiliation fees from colleges and universities, it receives grants from foundations and from the US Government.

The WRC is governed by a board that consists of representatives of college and university administrations, USAS and the WRC Advisory Council. Each of these groups has 5 representatives. The WRC Advisory Council consists of individuals who were chosen as experts. Most of them have an academic background or come from organisations involved in advocating Respect for the Rights of workers. The Advisory Council also has several trade unionists as members, from the US, as well as from other countries.

The WRC works to develop ways for workers to lodge confidential complaints about code violations. Affiliated schools require their licensees to provide the WRC with the names and locations of factories where the goods are made. The WRC organises factory investigations, usually in response to allegations concerning the working conditions in factories. The WRC works with licensees and suppliers in addressing problems and correcting code violations.

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Both the “social auditing” industry and the “multi-stakeholder initiatives” have contributed to a lot of the private standard setting. The supplier codes, as well as the activities surrounding them, have had a profound influence on the development on CSR. There has been a continuous stream of developments with respect to the supplier codes since the mid 1990s. The language surrounding these codes has changed. New words were invented and others were given a new meaning.

“Implementation” is such a word. It refers to anything that a company does to give effect to its code. Today, many practices are considered, by companies, NGOs as well as by trade union organisations, to be important elements of code implementation. Companies that adopt supplier codes are usually expected to assign personnel to implement the code provisions. These persons should be publicly identifiable and be provided with sufficient authority and resources.

Companies are also expected to report on the code implementation policies, as well as on code programmes and their performance. It is also expected that they will be reviewed at the highest decision making level of the company, including by the Board of Directors. Increasingly companies are expected to make code implementation a contractual obligation for suppliers and sub-contractors. Of course, they are expected to take the cost of code compliance into account in their purchasing practices. Furthermore, it is a well-established practice that the workers concerned by the code are made aware of its provisions and it is increasingly being demanded by NGOs that workers are provided with some form of confidential complaint procedure.

About monitoring, verification and what “social auditors” do

The activities of enterprises that sell “social auditing services” should not be described as “independent monitoring”. These enterprises are not really independent of the companies that engage them, as there are no agreed rules for regulating this industry. More accurately, they should be seen as agents of these companies. Sometimes, these “auditing” enterprises are referred to as “third parties” and their activities are sometimes referred to as “third party audits”. However, this only distinguishes the relationship between these enterprises and the other two parties, the sourcing company and its supplier or sub-contractor.

The term “monitoring” implies a continuous or frequently repeated activity. The word is correctly used where it describes those situations where companies have individuals or departments dedicated to code compliance, and where these individuals or companies are continuously “monitoring” the supply chain. The term “monitoring” becomes misleading, however, when it is used to describe workplace inspections. Although it would be

theoretically possible for a company to post someone at each factory of its supply chain, in order to do “monitoring” on a continuous basis, in practice, only trade unions have the ability to have the continuous presence in the workplace that is also independent of management. Although companies can “monitor” their supply chain and even the workplaces that they own or control, they cannot “monitor” the workplaces of other companies.

The difficulties in this area are now also recognised by many of the large sourcing companies that have the most experience in code implementation. As an example, this is a quote from Maria Eitel, Nike’s vice-president and senior corporate responsibility adviser: “What we have found is that you can police a workplace till you are blue in the face and the minute you leave, the problems recur”.

The term “verification” refers to the credibility of the claims made about code compliance or implementation. Verification (sometimes and somewhat redundantly referred to as “independent verification”) requires trained persons working to agreed rules. These trained persons are supposed not to be controlled by any of the enterprises concerned – either the sourcing company or the supplier or sub-contractor. Because it is about proving something to others, the essence of verification is that the company must not be able to control the process.

Genuine verification would require some body or organisation that can guarantee the independence of the verifiers. This organisation would be needed to set the rules that describe how these verifiers should perform their work. For this reason, verification is associated with some of the multi-stakeholder initiatives. The main problem in this area is that most of the issues surrounding “verification”, and how it should be done, remain unsettled. There is no agreed standard on how to do this.

Some want the ILO to have a role in setting the rules for this social auditing. According to this view, the ILO should set the standards needed for the training of the persons who would verify codes, as well as the rules they need to follow, while “verifying”.

The enterprises that provide “social auditors” have, until now, not been able to show a good track record in finding violations against ILO standards, especially in the area of freedom of association and the right to collective bargaining. They regularly report that freedom of association is respected in places where there is no trade union or where the government does not permit the exercise of this human right. Part of the explanation for this is that, in many cases, the “social auditors” do not have much experience in these issues. Only rarely do they understand that the suppression of trade union rights has, in many cases, the exploitation of workers as a result.

For various reasons, the work of these “social auditors” is often abused to show that workers can have a “voice”, even without the genuine representation that comes from trade unions, or to show that it is possible to source from countries with repressive regimes without using exploited labour.

Many of the ways that are used to intimidate, discourage, or prevent workers from joining or forming trade unions are very difficult to detect. Because of this, the only real test to prove that workers’ freedom of association is respected is to verify whether there is an independent or free trade union, which is permitted to function. Similarly, the only good test to verify the respect of the right to bargain collectively is to see if there is a collective agreement that is respected.

Trade unions were among the first to demand that companies, when they apply codes to their suppliers or sub-contractors, should have the workplaces of these enterprises “independently monitored”. It has now become clear that what was being demanded was unrealistic. The only real system of “independent monitoring” of workplaces is by the workers themselves, through their trade unions. Workers are able to speak up about workplace conditions through their trade union representatives, or to do so themselves because of the protection afforded by their trade unions. This is not to say that there is no role for “social auditors” or for verification systems. The challenge for trade unionists is to ensure that standards and actual practices encourage the establishment and proper functioning of trade unions.

Sometimes labels are put on products, indicating that the products were made under conditions that are in compliance with a code of conduct. Product labels that certify working conditions in non-union workplaces are not credible. Of course, this does not mean that the labour practices and working conditions in all non-union workplaces are always unacceptable; it simply means that it is not possible to guarantee respect for the criteria of a label without the presence of a trade union.

One of the underlying reasons why product labels from non-union workplaces are not credible is that, unlike product content or safety labels, the claim concerning the working conditions under which a product has been made cannot be verified by testing the product itself. A label covering labour practices can only be credible if there is a constant policing of the workplace – a condition that exists only where secure and independent trade unions are permitted to perform and, even then, only where they are supported by enforced labour legislation in an open and democratic society.

The real impact of the supplier codes

In spite of all of the difficulties and controversy over supplier codes, there are also some important positive elements. First, the supplier codes were addressing two of the most important trade union concerns about the conduct of business in a global economy. One concern was that multinational companies seemed to have international policies on almost every aspect of their business, except for labour practices. Companies usually insisted that this aspect must be dealt with at the national or local level, where law and practice applied. These supplier codes therefore constituted, in practice, the international labour policies for multinational companies and, as such, they were in some measure what trade unions had been calling for.

The other concern was the issue of sub-contracting, where the supplier codes were recognition of what trade unions had been saying all along. Employers were using sub-contracting to avoid the obligations of an employer while, through their economic power, they controlled the conditions of work. In those (usually rare) cases where workers, working for an enterprise somewhere down the supply chain, were able to bargain collectively, this meant that these workers did not have access to the real decision makers.

The organisation of labour-intensive manufacturing into long production chains and the increasingly elaborate systems of sub-contractors were effectively removing a lot of work from any legal protection. The long supply chains made it possible to have work performed on an informal basis, often organised by intermediaries who themselves were not employers or even legitimate businesses. Trade unions have long maintained that companies are responsible for the labour practices of their suppliers and

sub-contractors, as well as for the conditions under which work is performed in these supply chains. If nothing else, the supplier codes were an acknowledgement of this responsibility by many companies.

Another positive element for trade unions, in relation to codes, was that they introduced the ILO standards into the debate over the social responsibilities of business. This, in itself, was a major development.

The main danger of the supplier codes is for them to be considered as a substitute for the proper role of government, as well as for trade unions and industrial relations. They may end up making things worse instead of better. However, this need not necessarily be the case. Under certain circumstances, supplier codes have the potential to encourage governments to take up their responsibilities towards workers and create opportunities for workers to organise and bargain collectively. Code implementation should promote a culture of compliance with law among employers, be consistent with and complement the work of labour inspectorates and promote trade unions as the most effective means of workplace monitoring. In the end, the most important impacts of the supplier codes will be difficult to determine because they will be indirect.

The Global Compact

The idea for the Global Compact was introduced by Kofi Annan, the Secretary-General of the United Nations, at the annual World Economic Forum in Davos, in January 1999. He called for business to be socially responsible and do its part by “demonstrating good global citizenship wherever it operates”. The Global Compact was formally launched, as “an initiative of the UN Secretary-General”, in July 2000, at the UN headquarters. In addition to companies, the Global Compact’s participants are governments, trade unions, as well as NGOs, as “civil society organisations”.

Originally, the Global Compact was based on nine principles that came from three categories: general human rights, labour standards and the environment. In 2004, a 10th principle was added, dealing with corruption (see box). The Global Compact asks companies to “embrace, support, and enact, within their sphere of influence”, these core values.

THE 10 PRINCIPLES OF THE GLOBAL COMPACT

The Global Compact's ten principles are derived from the Universal Declaration of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the UN Convention on Corruption.

Human Rights

Businesses should:

- support and respect the protection of internationally proclaimed human rights
- make sure that they are not complicit in human rights abuses

Labour standards

Businesses should:

- uphold the freedom of association and the effective recognition of the right to collective bargaining
- the elimination of all forms of forced and compulsory labour
- the effective abolition of child labour
- the elimination of discrimination in respect of employment and occupation

Environment

Businesses should:

- support a precautionary approach to environmental challenges
- undertake initiatives to promote greater environmental responsibility
- encourage the development and diffusion of environmentally friendly technologies

Anti-corruption

- Businesses should work against all forms of corruption, including extortion and bribery.

The idea behind the Global Compact is that the global economy would be more sustainable if these principles became “embedded” as shared values by all. This is supposed to happen in two ways. One way is that companies are encouraged to “internalise” the 10 principles, by incorporating them in their normal, everyday activities and strategies. The other way is for the principles to serve as the basis for cooperation between business and the other participants of the Global Compact, through four “engagement mechanisms”: dialogue, learning, local networks and project partnerships.

It is not very difficult for a company to become engaged in the Global Compact (this has often been a point of criticism), as there are only two things that it needs to do. One is for the head of the company to send a letter to the Secretary-General of the United Nations. This letter should clearly state that the company supports the Global Compact and its 10 principles, and indicate a willingness to participate in the Compact’s activities. A second condition is for participating companies to publish, at least once a year, in an annual report or similar corporate report, a description of the ways in which it is supporting the Global Compact.

The international trade union organisations agreed to participate in the Global Compact because they were assured, at the very beginning, that certain of their concerns would be met. One of the concerns was that the Compact must not be treated as a code of conduct. The reason for seeking this assurance is that the trade unions did not want the Global Compact to become a substitute for the more comprehensive OECD Guidelines and ILO MNE Declaration, both of which were being revised at the time that the Compact began. This issue centres on the fact that, although the Global Compact principles do come from widely accepted and authoritative international instruments, the standards in these instruments are only a small part of a much larger set of legitimate expectations concerning what constitutes socially responsible behaviour by business.

The international trade unions organisations were also concerned that the Global Compact would not be used to oppose consideration of labour standards by the WTO, as some had proposed at the time. They did not want the Global Compact to give credibility to the notion that binding intergovernmental trade and investment agreements, intended to protect property rights, could ever be balanced by exhortations to business to voluntarily respect human rights.

Trade unions have a separate status within the Compact because they are part of industry, as well as of civil society. By definition, social dialogue involves management and workers, which are the two sides of any business.

The international trade union organisations have insisted on this distinct status, in order to protect the idea of social dialogue, which was sometimes interpreted to mean “engaging stakeholders”. The idea of social dialogue is getting lost in most CSR thinking, which often considers workers to be “internal stakeholders”, while trade unions are seen as just one of many “external stakeholders.”

Another reason for insisting on this distinct identity was to influence the treatment of trade unions in other CSR initiatives. As representative organisations of workers, trade unions must protect the principle that only workers can choose who speaks for them. Where trade unions participate in CSR related organisations, they must first make sure that the governance of the CSR organisation does not permit NGOs or business to have a say in deciding “who speaks for labour”. Trade unions need, as far as possible and practical, to be a distinct category in ‘multi-stakeholder’ initiatives. This is to make sure that trade union organisations alone can designate their own representatives for governing bodies or committees in these organisations.

A number of international trade union leaders served as members of the Global Compact Advisory Council until it was dissolved in May 2004, because a new governance structure for the Global Compact was to be set up. The Advisory Council was a body composed of senior business executives, international trade union leaders and heads of civil society organisations from across the world, set up to “assist the UN Secretary-General in his effort to promote cooperative solutions to the dilemmas and challenges of globalization”.

The trade union experience with the Global Compact has been mixed. Throughout the activities of the Compact, too much attention has been devoted to promoting the CSR industry while not enough attention has been spent on genuine dialogue. Opportunities for dialogue were often bypassed. For example, many national “networks” were launched without involving the trade unions, the representative employer organisations or the relevant NGOs that should have been involved.

On the other hand, some GUFs have found the Global Compact to be a very useful means of engaging MNEs at the highest level. In some cases, these contacts led to better relationships and, in a few cases, they played a role in the signing of framework agreements (see chapter 9 for more on framework agreements). These agreements are one of the most important ways for companies to put into practice the commitments they made by participating in the Global Compact.

One widely held criticism of the Global Compact is that companies benefit from their association with the United Nations, but are not really obliged to do much. This has led to demands for companies to “prove” compliance with the principles and be subject to “monitoring” and “complaint” procedures.

Many international trade union organisations have already received complaints from national trade unions concerning the behaviour of companies that are participating in the Global Compact. The participating international trade union organisations therefore support measures that would require companies to discuss and solve problems with the appropriate parties concerning their behaviour. In addition, they want to ensure that serious offenders are not allowed to continue to be associated with the Global Compact. However, the international trade union confederations do not want to transform this initiative, which is based on dialogue, into yet another management

oriented mechanistic CSR initiative that would “certify” companies through what could only be a dubious “monitoring” process.

PART II

THE PRACTICAL INTERNATIONAL DIMENSION OF TRADE UNION WORK

Part II focuses on some of the most practical aspects of international solidarity, including the importance of affiliation to international organisations and some basic suggestions for requesting and providing assistance internationally. It also discusses international social dialogue, stresses the vital role of obtaining and sharing information, and gives some basic elements and ideas for success of international trade union campaigns.

7. SOLIDARITY, NOT CHARITY (Who does what at the international level?)

Whether they know it or not, workers who try to organise a trade union or who find themselves in a difficult collective bargaining situation, have trade unions all over the world on their side. International trade union solidarity can give strength to workers in crises and, in more and more cases each year, it has made a difference. However, international solidarity means more than answering calls for help from workers in desperate situations. International solidarity includes a wide range of mutual assistance.

Trade unions can show solidarity by sharing information about an employer with trade unions in other countries. They are also showing solidarity by consulting with their foreign counterpart before making decisions that affect the members of their counterpart unions. Ensuring that the international activities of a trade union contribute to the strengthening of the international trade union movement is showing solidarity as well.

Recognising the international dimension

The foundation of international solidarity is the recognition by trade unions that there is an international dimension to their work. At the very least, consideration of the international dimension should take place where there are any international commercial connections. Such connections may not be readily apparent. Sometimes there is an international solution to a problem with no international aspect. For instance, respect for trade union rights is always an international concern.

IS THERE AN INTERNATIONAL CONNECTION?

There are many situations where international solidarity may help to resolve a serious problem or dispute with a company and where international co-operation should be considered.

A company may be:

- committing violations of trade union rights;
- a multinational enterprise, in particular, one with other organised locations;
- a multinational enterprise covered by a GUF framework agreement;
- a supplier to a multinational or foreign company;
- a subcontractor of a supplier or even further down the production chain;

- performing work under contract with a foreign company or government;
 - operating in a sector which is dominated by multinationals;
 - active in a sector where there are certain standards (perhaps set by multinationals);
-
- involved in export;
 - involved in import;
-
- wholly or partially owned by international investors;
 - financed by foreign capital (including pension funds);
 - subject to consumer pressure in other countries;
 - considering expanding abroad or engaging in activity linked with the global economy;
 - a company which claims to operate in an ethical manner and be sensitive to worker and human rights (this may include having a corporate code of conduct)
 - sensitive about its image abroad;
 - located in a country where foreign governments and international organisations may be involved in influencing government policies.

In placing demands on workers, many employers, including multinational companies, find it convenient to appeal to national interests by stressing international competition. Just as workers must distinguish between those interests they share with the employer and those they do not, trade unionists must distinguish where purely national considerations are the most important and where they are not. Recognising the international dimension means recognising that globalisation is increasing the occasions where international solidarity applies.

Ideally, every national trade union should have someone who deals with international questions and who is responsible for contacts with international trade union organisations. It is essential that the person or persons responsible for international affairs work closely with other parts of the trade union involved in such areas as organising, research and collective bargaining, so that international contacts and solidarity become an integral part of trade union life. If there are local structures that have the responsibility for dealing with companies, they should be connected in some way with the person or persons who are responsible for international work.

International affairs should be a regular part of trade union education. Workers should not be dependent exclusively on the press, employers, or the government for information. The union has a duty to provide the opportunity for members to become informed about all aspects of trade unionism. Just as international solidarity is becoming more important, so is the need for including international issues in the labour education programmes of trade unions. Experiences show that, once trade union members, including shop stewards and other officers, are exposed to international solidarity questions, they quickly appreciate their importance. Trade unions should therefore consider organising courses on international trade union activity, with a priority given to practical solidarity action.

Training trade union officers and staff to function internationally may also be necessary. Although learning about international trade union work is not difficult, nobody is born with this knowledge. In some circumstances, there may be a need to include language training. One potentially valuable way to further develop the capacity for international work is to send members of staff to the headquarters of an international trade union body or a trade union organisation in another country to learn and work for a period of time.

Of course, international solidarity is not a substitute for strength at the work place or for proper planning and strategy in dealing with an employer. In fact, the international dimension should be part of the planning process and incorporated into the trade union's overall strategy.

The first step is to join

It takes much more than a speech, a resolution, or a good intention to build an international trade union movement. Following the same logic as in building any trade union, the first step is to join. The legitimacy of trade unions, national or international, as the representatives of workers comes from the extent and involvement of their memberships and their democratic structures.

The ability of a trade union to represent workers requires legitimacy, but it also requires a permanent and independent organisation, established and supported by the workers themselves. For workers and their trade unions, the logical response to globalisation is to strengthen the permanent and independent organisations that constitute the international trade union movement.

Solidarity, unlike charity, is a two-way street. It means accepting mutual responsibility. The essence of solidarity is mutual aid. And the most effective and meaningful assistance to workers can be delivered through organisation. Affiliating to the appropriate international trade union organisation is an important step towards international solidarity.

Of course, joining is only the first step. Participating in meetings, solidarity actions and campaigns, following up requests for or seeking information, responding to questionnaires and circulars are all part of building a strong international trade union movement.

Who joins what?

The building blocks of the international trade union movement are national trade union organisations, i.e. national unions (from a given sector or industry within one country) and national centres (grouping these national unions in a given country). These are the organisations that affiliate with the international trade union organisations.

National centres have their own international organisation, the International Confederation of Free Trade Unions (ICFTU). The ICFTU, a democratic organisation representing the overwhelming majority of the world's trade unions, is the leading international trade union organisation for national centres.

Just as national centres provide the collective voice for workers to influence the policies of governments in their respective countries, the ICFTU provides the voice for workers with international organisations such as the various bodies of the United Nations system. Just as national centres are the means by which trade unions forge common policies, the ICFTU is the vehicle for the world's trade unions to achieve common ground. Just as national centres defend the right of workers to join trade unions and work to ensure that trade unions play an important role in national economic and political life, the ICFTU fights for the universal application of workers' rights and promotes the role of trade unions everywhere.

More than ever, workers must engage the intergovernmental organisations that can shape international economic and political relations and policies. However, just as trade unions must assert their legitimacy in order to sit at the bargaining table, the struggle to win a seat where the international framework for globalisation is formed, requires organisation.

Moreover, the struggle for trade union rights is an international struggle that requires a global voice for organised workers. The ICFTU provides the link between those countries where trade unions rights are respected and those where they are not. This role could not be played if the ICFTU represented state-controlled or employer-dominated labour organisations.

These same functions are performed on a regional basis by the ICFTU organisations composed of national centres in these regions: AFRO in Africa, ORIT in the Americas and APRO in Asia.

The international organisations that bring together national trade unions, the Global Union Federations (GUFs), group trade unions by industry or sector. Because GUF affiliates are directly engaged with employers, the GUFs are the international trade union organisations with the closest contact and familiarity with multinational and other enterprises.

The GUFs are the best international sources of information about industries, sectors and enterprises. They are also the best means for trade unions to share this kind of information internationally and they are the primary and best means for engaging the common employer internationally. In almost all situations, they are the most effective means for a trade union to obtain international support in disputes. The affiliates of GUFs should be the focal point for channelling information and requests in this process, on their own behalf and on behalf of the local level union structures that may be the primary party in the action.

Sometimes trade unions represent workers in more sectors than are covered by a single GUF. In such cases, it is important for the trade union to affiliate with and participate in more than one GUF. Unless this is done, not all of the members of the union will be represented internationally and they will not benefit from these services and international links. Generally, trade unions with membership in different sectors - as those sectors are divided internationally - should affiliate to the various GUFs based on the members the trade union represents in a given industry or sector.

Through working with a GUF, valuable bilateral relations with affiliated trade unions in other countries may be established. This can complement the solidarity that is provided by the GUF itself. In some circumstances, the national centres can also be very helpful in assisting their affiliates with international work and in establishing contacts with other unions.

The GUFs share common principles with the ICFTU but they are autonomous organisations composed of, and controlled by, their affiliates. There are many differences in GUF structures and in the services provided by them. These reflect their respective histories and traditions, as well as the nature of the industries or sectors in which they work and the trade unions which they represent.

Descriptions of each GUF can be found in the box entitled 'which is my GUF?' in part I, chapter 2 and also in appendix 1.

IFJ – THE GLOBAL UNION FOR JOURNALISTS

The International Federation of Journalists is the world's largest organisation of journalists. It brings together more than a hundred national journalists' unions and professional associations. However, it does not admit individuals. Affiliated unions apply on behalf of their members for the IFJ International Press Card.

First established in 1926, it was relaunched in 1946 and again, in its present form, in 1952. Today, the Federation represents around 500,000 members in more than 100 countries. Headquarters are in Brussels, with regional offices in Senegal, Venezuela, Australia and Japan.

The IFJ promotes international action to defend press freedom and social justice through strong, free and independent trade unions of journalists. It does not subscribe to any given political viewpoint, but promotes human rights, democracy, and pluralism. It is opposed to discrimination of all kinds and condemns the use of media as propaganda or to promote intolerance and conflict.

The IFJ is the organisation that speaks for journalists within the United Nations system and within the international trade union movement. The IFJ supports journalists and their unions whenever they are fighting for their industrial and professional rights and has established an International Safety Fund to provide humanitarian aid for journalists in need.

IFJ policy is decided by the Congress, which meets every three years. Its work is carried out by the Secretariat based in Brussels under the direction of an elected Executive Committee.

8. PRACTICAL INTERNATIONAL SOLIDARITY (How does it work? And where and when?)

International solidarity works, particularly if it accompanies and supports effective national action. In some countries, the mere threat of action by international trade union organisations has been sufficient to achieve settlements, secure the reinstatement of sacked union leaders, or end legal attacks on unions.

The range of international solidarity

Perhaps the best-known part of international solidarity is the co-ordination of protest or solidarity messages, but it is much more than that. It involves other activities, including participating in international campaigns, establishing contacts or organising meetings between those trade unions which represent the workers employed in the countries where a multinational company operates. It may also mean co-ordinating publicity, exchanging experiences, intervening with inter-governmental and other organisations, or participating in world or regional company councils and other formal and informal networks of trade unions organised around specific multinational companies.

Solidarity can also be financial, although means may be limited. Trade unions sometimes face massive costs because of attacks by employers or governments, fines or other legal actions that threaten their ability to defend their members' interests.

In recent years, there has been a significant tightening in legal restrictions on union rights to take industrial action around the world. Secondary boycott action and other forms of solidarity have been amongst the principal targets for anti-union legislation. Employers have also become much more aggressive in using the law. Sanctions that can be used against trade unions for even minor breaches of the law are often out of all proportion to the seriousness of the action, including huge fines for damages, seizure of assets or even imprisonment of officials.

It is clear that trade unions must work vigorously to amend and repeal these anti-union laws and to secure the right to undertake solidarity action both nationally and internationally. Globalisation should not combine increased freedom of action for companies across boundaries while restricting the rights of workers to act globally. Experience shows that the law can also be an excuse as well as a genuine reason for not taking action.

Solidarity does not necessarily have to be prompted by a dispute. There is also the work of anticipating and preventing disputes through, for example, established relations with a company, which may include a framework agreement. Solidarity is a way of thinking which is best expressed through democratic organisation and participation.

Requesting and showing international solidarity

The essence of solidarity is requesting and providing assistance. These acts are rarely as simple as they sound. The amount and quality of help offered is influenced by how it was requested. For trade unions, requesting and showing international solidarity involves many of the same principles that apply nationally, but there are also some important differences.

Appreciating differences

One important difference is really only a matter of degree. It is easy to over-estimate the understanding that trade unionists in other countries may have of any situation. Trade unionists often think that things must work about the same way in other countries as they do at home. One should not assume that trade unions in other countries will understand every system of industrial relations or the labour practices in another country. Lack of understanding by others of specific, relevant features of laws or practices can limit the effectiveness of solidarity. In showing solidarity, foreign trade union organisations may need to answer questions about industrial relations and labour practices in the country concerned. Such questions could arise, for example, in meetings with the company concerned, its overseas partners, government officials or the media.

This also applies to the details of a particular dispute. What may be widely reported or is common knowledge in one country may not be reported or known at all in other countries. Even the GUF, which is likely to have more information, cannot be expected to have all the relevant details unless they are provided. Failure to provide full and accurate information has on occasion led to serious setbacks for the trade union seeking help. This has occurred where trade unions, sending solidarity messages or making representations to the home country management of an MNE, have had their facts challenged or corrected by the government or the MNE. In the most serious of these situations, the basis of solidarity is destroyed along with the credibility of the trade union seeking help. At the very least, the government or MNE has been provided with an excuse.

Trade unions requesting trade unions in other countries to undertake specific activities may, at times, be disappointed by the response their requests receive. Some activities, which in the eyes of the requesting organisation would seem to be very effective, are sometimes not possible or appropriate in other countries. On the other hand, trade unions in other countries may be able to achieve the desired result by using other means.

Another difference in international activity is the time that it may take to get something done. Because international meetings are expensive and take a long time to organise, they are not held very often. Good working relationships between individual trade unionists in different countries often take some time to develop. Other practical problems such as language differences can also add time. Because the required time and effort to provide information, assistance, or co-ordination may be greater than anticipated, the importance of contacting international organisations early should not be under-estimated.

Respecting structures

One way where requesting and showing solidarity is similar at both the national and international level, is the importance of respecting the structures of, and relationships between, trade union organisations. Trade unions are democratic organisations. Respecting other trade unionists' structures is not being bureaucratic; it is simply respecting trade union democracy.

Sometimes trade unions, in attempting to request or show international solidarity, do things that they would not think of doing within their own countries. Often, the reasons for this are unfamiliarity with other countries or with international organisations.

Sometimes, in an emergency, appeals for help are made to anyone and everyone and insufficient attention is given to the importance of informing or consulting the various organisations that should be informed or consulted first. Although such action is understandable, these simple oversights may mean that valuable time is lost owing to unnecessary misunderstandings. It is best and most effective to apply a sort of trade union golden rule - treat others the way you would like and expect to be treated.

Both in requesting and showing solidarity, it is important to keep the fabric of affiliations and counterparts in mind. Global Unions have identified the following situations where informing and consulting other trade union organisations is especially important for successful international trade union co-operation:

1. Trade union counterparts in other countries should be informed and consulted when contacting non-trade union organisations or trade union organisations in other countries that do not share a common international affiliation;
2. National trade unions should involve their national centre when contacting national centres in other countries;
3. GUF affiliates should inform the GUF of bilateral requests for assistance;
4. National centres should inform the ICFTU and its regional organisations of requests for assistance made by organisations from other countries; and
5. When solidarity actions or campaigns involve at least one national centre or the ICFTU, national centres in other countries where assistance is sought should be informed or included in the campaign.

National trade unions have several routes to request and show solidarity - through the national centre, directly with foreign counterparts and through their GUF. As already stated, in cases involving particular companies, the most efficient means of securing international co-operation is nearly always to begin to build support through the GUF.

Although in some cases it is possible that the GUF and others may not be able to help, one should not assume that this is the case. In addition, if a trade union discovers that the international relationships of an employer are outside of its industry and beyond the jurisdiction of its GUF, the union should go ahead and contact the GUF anyway. GUFs have relationships with one another and work together in many such situations. The GUFs also co-operate with the ICFTU, the TUAC and others. In many circumstances, national centres can, and do, contribute to international solidarity on specific disputes with companies.

In very serious cases, it may be useful if a representative of another trade union, which has a collective bargaining agreement with the parent company, and/or a GUF representative visits the union and personally learns, on the spot, about the dispute or problem. This may also considerably strengthen the commitment to and effectiveness of international solidarity action. Another way is for workers or officials from the union in dispute to visit, with GUF backing, other countries to generate solidarity.

A few general principles for contacting the GUF, which make international solidarity work easier, are mentioned in the checklists on requesting and showing solidarity. Of course, the general principles in these checklists should also be applied by national centres in their relationship with the ICFTU.

REQUESTING SOLIDARITY: A CHECKLIST

1. Give early notice.

If it is anticipated that a strike or major dispute could arise, send complete background information to the GUF, if possible before the crisis begins. Too often requests for action are made after the conflict is already so advanced that the possibilities for effective international intervention are limited.

In principle, the GUF should be informed of any serious problem in any MNE subsidiary or other related subsidiary and related problems with governments. The information may be useful for some other affiliate or, in some unexpected way, in another context.

2. Provide complete information on the company and the dispute.

The full name of the local subsidiary or related unit, the name and title of its CEO (Chief Executive Officer), full address, telephone, fax numbers and e-mail addresses, plus whatever the union knows about its precise relationship to the MNE. Is it a wholly owned subsidiary, a franchise, a joint venture or does it have some other relationship with the MNE? Which are its products, its major suppliers, its major customers, its bank connections? How many employees are there and how many are engaged in the conflict? What is the background of the conflict?

It is of particular importance that the GUF is provided with accurate and full information. If an intervention is made and some aspect of the information is wrong or incomplete, it is likely to undermine the credibility of the trade union claims. Mistakes or incomplete information can be very damaging. If, for example, during a dispute, a company has been found to be in violation of the law, but the union has also been found at fault, both pieces of information need to be supplied and explained.

Even if the information is absolutely accurate, it may not be of much use if it is not well documented. It is often the details which are convincing and which make a conflict come alive to trade unionists in another country. The same good practice for trade union work at home, posing and answering all the right questions starting with why, when, where, who and how apply to making an international case. If some form of complaint might need to be submitted, whether it is to a supervisory body of the ILO or through channels which may be available through a GUF, it is particularly necessary to have all the details and not a vague recollection of what happened.

Equally important is the speed with which things can be done. If fax numbers can be provided, or even better, e-mail addresses, action can sometimes be taken almost instantly. As some actions will be urgent, this may improve the chances for success considerably.

3. Indicate what you want the GUF and its affiliates to do.

Solidarity actions may require a variety of tactics. What works in one situation may not work in another. It is important to have a clear idea of what you think will be effective.

The GUF must have a clear idea of the nature of the dispute. In general, GUF affiliates are more likely to respond more forcefully to requests for intervention when the dispute concerns basic principles like trade union rights or union recognition than if it is over a collective bargaining issue which is not an issue of fundamental rights. Accurate information will help to choose the most effective response.

4. Make regular reports of developments.

In order to evaluate the effectiveness of solidarity actions and to keep the unions that participate in those actions fully informed at all stages, the GUF must receive regular reports from the union requesting the intervention. The GUF needs to be informed promptly of any significant changes or escalation in any dispute. The GUF must know if and when a dispute has been resolved, and should be advised of the terms of settlement. Win or lose, solidarity partners in other countries should be thanked for their help.

5. Appoint a co-ordinator.

It is a very good practice to designate a single person in the union to co-ordinate communications with the GUF concerning a dispute, to make these communications as efficient and direct as possible.

SHOWING SOLIDARITY: A CHECK-LIST

1. Respond on a routine basis.

The most frequent request for solidarity is a request to send a letter, fax or e-mail message, based on information contained in the circular describing the specific situation. Many GUF affiliates respond to nearly all requests for solidarity messages.

In many situations, the timely arrival of a sizeable number of protest or support messages can have a positive impact.

2. Try to meet specific requests.

There may be times when your organisation will be the only good source for specific information on a particular company or subsidiary in your country. A GUF may receive many requests from affiliates for information on trade union organisation within a MNE. Sometimes the GUF does not have that information on file. In other cases, an affiliate will ask the GUF to transmit a request to another affiliate in the company's home country, so that they intervene on its behalf. While it is not always possible to meet such requests, the GUFs must be able to report back to the affiliate that made the request to say what, if any, action was taken.

3. Advise the GUF on what it can do to facilitate your responses to requests for solidarity actions.

For example, where there are language differences, it may be of help for the GUF to provide a model letter in the appropriate language. Tell the GUF precisely what it should demand/request and/or what action you are seeking from the MNE, the government, or others.

4. Send copies of messages and information on any other action taken to the GUF.

This helps the GUF provide updated information on actions, and to evaluate the status of a specific action. This also includes sending press releases.

Trade unions which are effectively involved in international work take the GUF work seriously, including helping other trade unions whenever they can. Such active unions are, of course, the best placed to receive solidarity help from others. International work should be more than the fire brigade or ambulance function. It is building ongoing relationships, support, and understanding, which will help everybody do better work in our common trade union mission. No group of workers has a guaranteed immunity from attacks on jobs, union rights, or working conditions. In some cases, trade unions depend for their very survival on the ability of unions in other countries to deliver solidarity when it is needed.

SOLIDARITY MESSAGES WORK

One example of the effective use of solidarity messages concerned Coca-Cola in Poland. At the time, efforts were made by local management to deny that Coca-Cola was an organised company elsewhere. This denial was met with numerous solidarity messages to Solidarnosc, the ICFTU's Polish affiliate, from IUF affiliates representing Coca-Cola workers. This was all that was needed to gain recognition. Through the intervention of the IUF, Coca-Cola met with Solidarnosc and considerable progress was made, including an agreement to establish health and safety committees in company facilities.

Emerging forms of international solidarity

Pension fund money - workers' capital

One specific way through which international solidarity can be channelled is the area of workers' capital. The term 'workers' capital' is used to refer to money that is being invested, mainly through investment funds, usually as part of the many different private retirement systems in the world. This money remains workers' capital – it still belongs to the worker, it is his or her retirement money. In some cases, the workers already are involved in the investment decisions of these funds. In most cases, however, they are not.

Although retirement systems differ greatly between countries, an increasing number of countries are using private funds as one of the bases to provide for retirement. Many in the international trade union movement have mixed feelings about this evolution, as they feel that social security systems should be publicly organised, based on the principles of solidarity, reliability and predictability. However, it is impossible to ignore that retirement funds exist, which is why it makes sense to look at how they can be turned to the advantage of the people that own them.

Pension money is being invested in many different ways. With the rise of equity prices during the 1990s, and as more and more countries have stock markets, the importance of investment in stocks grew accordingly. As a result, institutionalised investors, such as pension funds, own more and more shares in companies world-wide. And as workers, in turn, own these pension funds, they indirectly became important investors in companies. The end result is that, as stockowners have voting power in a company, workers now may have an alternative possibility to change a company's behaviour.

It creates an opportunity for workers and their trade unions to act against the usual short-term attitudes from investors and executives. These attitudes have all too often resulted in downsizing, outsourcing, cuts in research, training and safety costs as well as questionable mergers and acquisitions that clearly damage the interests of the people that work for these companies. Both workers and institutional investors are long-term investors and should take the long-term vision into account.

The total amount of the world's pension funds assets reached almost US\$ 13,500 billion at its peak in 1999. After falling back to US\$ 10,800 billion in 2002, assets grew again in 2003. The California Public Employees' Retirement System (CALPERS), the largest US public pension fund, had assets totalling over US\$ 150 billion at the end of 2003 and managed pension and health benefits for more than 1.4 million California public employees, retirees and their families.

Global Unions has a committee for international Co-operation on Workers' Capital. Set up in 1999, its basic concept was to see if an international network of trade unionists could be developed, facilitating international trade union co-operation. The members of the Committee are mainly national and international trade unionists that are actively engaged in the area of pensions and investments. The committee has held meetings regularly since then.

Socially responsible investment (SRI) – and in particular the behaviour of companies on workers' rights - is one of the main concerns of the committee. Companies, more and more concerned about their reputation, are increasingly vulnerable to direct shareholder actions. Trade unions, especially in the Anglo-Saxon countries, have been very active over the last few years in introducing these shareholder actions. The Committee raises support at the international level for these campaigns. Executive remuneration has been, next to workers' rights, one of the re-emerging issues. Unocal, Halliburton, Mcdermott, Citigroup and Rio Tinto are a few examples of companies on which international co-operation took place.

The many socially responsible investment funds - funds that base their investment decisions on a specific set of social criteria - have also become important players. Furthermore, the issue has entered the mainstream investment world. For example, the UK, France, and Germany now require all their pension funds to disclose their policy on socially responsible investment.

The work of the Global Unions committee is not limited to supporting shareholder action or following the developments in investment funds, however. It stretches out over many different areas:

- Members report on developments in the pension and investment area within their country, as well as at the international level; this happens at meetings, as well as through an e-mail forum that has been set up;
- Information is compiled on the major investment managers and the largest pension funds world-wide;
- Discussions are being held with relevant actors outside the trade union world;
- Education and capacity building for union pension trustees and specialists;
- Corporate governance and financial market regulation;
- Economically targeted public and private sector investment.

9. INTERNATIONAL SOCIAL DIALOGUE AND INDUSTRIAL RELATIONS

The experience of workers at national level – that there are only two significant ways for workers to be protected and have their interests advanced, i.e. either through the instrument of government (good laws and regulations) or through the use of trade unions and collective bargaining - can be easily transposed to the international level. Chapter 4 discussed the former. This chapter deals with the latter.

Social dialogue, be it national or international, refers to dialogue between the social partners, which are defined as the management of a company and the trade unions representing its workforce. It can take many forms, including collective bargaining. Most countries have, at the national level, a legal framework for social dialogue, even though these vary widely from one country to another. At the international level, however, although the economy is global, there is no legal framework for any form of international industrial relations or international social dialogue.

An international framework for social justice should logically include a framework for industrial relations. However, just as the earliest trade unions and collective agreements preceded a national legal framework, it may be reasonable to expect that international industrial relations will evolve as MNEs become engaged, in one way or another, with international trade union organisations.

Even though there are no legal obligations on individual companies or industries to recognise trade union organisations or engage in negotiations at the international level, limited international social dialogue has already started, not just in the context of the ILO's tripartite structure, but with individual enterprises as well. On the trade union side, structures already exist - GUFs - that can form part of the basis for international industrial relations at both industry and company levels.

Many GUFs have established structures that deal with particular multinational enterprises, usually company councils. These are structures that, under the heading of a GUF, allow trade unionists, all working for the same multinational enterprise, to cooperate internationally. Even though these councils are important players at the international level, they are, strictly speaking, not part of an international social dialogue, as they do not engage the company directly. However, some of these councils do invite representatives of management to (parts of) their meetings.

In Europe, the law provides for a formal structure for international social dialogue between the larger multinational companies and its workers: European Works Councils (EWCs). Both these 'councils' are discussed below.

Framework agreements (FAs) - formal agreements signed between a GUF and a multinational enterprise - are the next step in international social dialogue. They are also discussed in this chapter.

There also is one collective bargaining agreement between a GUF - the ITF - and an organisation of employers, the International Maritime Employers' Council (IMEC). This

agreement, signed in 2000, sets out the standard terms and conditions applicable to all seafarers serving on any ship owned or operated by a member of IMEC.

Company councils

Trade unions have established world company councils, regional company councils and formal as well as informal networks of trade unions representing workers employed by the same company. These are, for the most part, structures that organise meetings where trade unionists from different countries, but working for a common employer, can get together to discuss a wide range of issues. They are used for different purposes, from improving conditions at home through the experience of others to real global co-operation in trade union work.

In spite of the fact that there are a number of practical problems, including the expense of holding international meetings, the complications of trade union pluralism, and language barriers, regional and world councils are important building blocks for the international trade union movement. The use of information technology is one way to overcome some of the practical problems, as it can facilitate the building of networks inside companies. Such “virtual” company councils can be set up relatively easily and may contribute to the work of existing structures. Company councils are established and maintained by GUFs.

Many GUFs have these company councils in place for many of the larger multinational enterprises operating in their sector or industry. The IMF, for example, has company councils in the automobile industry for General Motors, Ford, Volkswagen, Volvo, Fiat, Toyota, Nissan, Honda, Mitsubishi, and Mazda. In the Electrical/Electronics sector, there are IMF company council for General Electric, ABB (Asea-Brown Boveri), Matsushita, Siemens, Electrolux and Thomson Multimedia. In the Mechanical Engineering industry, IMF company councils exist for SKF and Caterpillar.

UNI MULTINATIONAL UNION ALLIANCES

Union Network International (UNI) has for some time grappled with how to tackle and interface with the ever-expanding multinational corporations that are operating in UNI's sectors. In an effort to co-ordinate the action of affiliates and to put truly global pressure on these MNEs, UNI has developed a strategy of Multinational Union Alliances.

UNI is now operating several Union Alliances dealing with specific multinationals. The most active of these Alliances are the SBC/Ameritech, Cable & Wireless (C&W), Telefónica, National Australia Bank, Barclays Bank African Alliance, France Telecom, Quebecor Group, and the OTE Alliances. They have met on regular occasions and all now publish regular newsletters that are distributed amongst affiliated unions dealing with the specific MNE. All the alliances have also developed and published web pages. UNI have also set up Virtual Committees for a number of multinationals where unions and workers in specific companies are able to swap information about the company online in a special web page. These are set up at <http://www.univirtual.org>

These UNI Multinational Union Alliances and virtual committees were established because:

- Almost all new initiatives by established operators, or new companies, are hostile to trade union organisation and recognition.
- Trade unions have to react quickly to these new patterns of ownership.

- The trade union response has to involve genuine international solidarity actions and the devotion of resources to organising.
- Trade unions have to pool resources and share information across country boundaries in order to counter the global approach to business displayed by MNEs.

The purpose of the alliances is to:

- Increase the leverage of member organisations through greater joint activity.
- Share information and offer solidarity support when any affiliate of the alliance is engaged in collective bargaining.
- Undertake common activity to support organising.
- Provide all possible support from the host country union for members of any other affiliate who are working in the host country.

Alliance activities have included:

- Analysing and publishing comparisons of company reports;
- Publishing a comprehensive list of the companies' global investments;
- Analysing and publishing comparisons in the case of Cable & Wireless employment contracts;
- Participation in the Annual Stockholders Meeting;
- International days of action in the case of both the Ameritech and the Telefónica alliances;
- Initiation of European Works Councils;
- Negotiation and signing of framework agreements.

A practical example of the SBC/Ameritech Alliances activities was that, for the first time in history, leaders of unions from around the world having members in Ameritech companies were present at the 1998 Ameritech annual shareholders meeting in Chicago to send a clear message to the company managers and directors. Along with hundreds of members of the Chicago-area local unions of the Communications Workers of America (CWA) and the International Brotherhood of Electrical Workers (IBEW), union leaders from UNI, Belgium, Denmark, Hungary, and the USA held a press conference outside the venue and then attended the shareholders meeting.

Ameritech Alliance partners also held their first international day of action in June 1998. Since then, the partners have held, in conjunction with other UNI Telecom multinational alliances, special action days for Customer Service workers. This has seen each of the alliance partners taking some form of action in their respective countries. On these days, thousands of workers all wore the same badge as a symbol of their solidarity and support for the efforts of the alliance.

Inside the European Union, under the European Works Council Directive, a system is in place that requires multinational enterprises to have meetings with representatives of the workers for information and consultation purposes. Whereas company councils are 'trade union structures', the EWCs are considered as part of an international social dialogue as both partners – workers and management – take part in the meetings.

Even though there are some clear possible advantages for these European Works Councils, it is necessary to point out that these are not, either in legislation or in practice, bodies that have to include trade unionists. Participants in the EWCs are trade unionists in many cases, but not always. Nothing in the Directive mandates trade union representation.

An important point in this area is the necessity to involve GUFs in the work of an EWC that decides to 'expand' beyond the EU. In those cases, representatives of workers from branches of the company that are not located inside the European Union may take part in EWC meetings. Involvement by a GUF is necessary to prevent companies from 'picking and choosing' their workers representatives, in order to influence discussions.

EUROPEAN WORKS COUNCILS

The European Works Council Directive (EWC) requires every company employing more than 1000 workers in the EU, with over 150 in at least two member countries, to establish an EWC. The EU's Council of Ministers adopted the Directive on 22 September 1994, and exactly two years later, it entered in force, via transposition laws, in 14 EU member states plus Norway, Iceland and Liechtenstein.

Even before the EWC Directive took effect on 22 September 1996, 430 European Works Councils were already operating, in around 400 different multinational companies. Some large firms, active in a variety of economic sectors, opted to establish several councils at branch level. Nevertheless, many companies that are covered by the EWC Directive have yet to create an EWC, even though the directive took effect over 8 years ago.

At the end of 1997, the UK's opt-out was reversed and a UK extension Directive was adopted and transposed. In May 2004, the EU was enlarged with ten new Member States. From that moment on, their national transposition of the EWC Directive entered into force. Subsequently, multinational companies with operations in these new EU member states have to integrate representatives from those countries in their EWC.

Fifteen thousand EWC members are now experiencing the needs and challenges of international trade union co-operation. For example, among the established EWCs, 32% faced a transnational merger or acquisition in 2000. These mergers often increase the distance between the workers and decision-makers in multinational companies. EWCs have the opportunity to build bridges here.

The increasing co-operation between the employee representatives from different countries also lays new foundations for international trade union solidarity. Trade unionists within the same enterprise no longer just hear about one another, they also meet in EWCs, talk together, and develop joint action. Yet language difficulties, cultural differences and different industrial relations systems can create obstacles. To overcome this, trade unions are organising co-ordination, training and support for their members in EWCs.

There is a clear trade union trend towards supporting EWCs. The search for successful EWC co-operation means a steep learning curve. Most of the councils have been set up since 1996 and still need time to develop their potential. However, continuous progress is being made, reflected in the growing number of EWCs and, most of all, by advances in the way they work.

In 2003, 744 EWCs were established in 719 companies, or 38% of the 1895 companies lying within the scope of Directives 94/45/EC and 97/74/EC. As such, another 1176 companies still need to install EWCs. Furthermore, the quality of the information and consultation leaves, in many cases, plenty of room for improvement, especially in the event of mergers, take-overs, and restructuring. Improvements are also expected from the revision of the EWC directive and the EU merger control procedures.

More information on European Works Councils can be found on: www.etuc.org/etui/databases

(by Peter Kerckhofs, ETUI)

Framework agreements

In spite of the recent wave of unilateral voluntary actions by companies - through which they 'promise' very many things at the international level - the better way to deal with workers' rights at company level, internationally, is through international dialogue and international agreements. These agreements should be concluded between international companies, on the one hand, and international trade union organisations, on the other.

The content of a framework agreement is often similar to the language found in some of the codes of conduct that companies have adopted for their suppliers and which cover some, or all, of the fundamental rights at work. However, that does not mean that a framework agreement is the same thing as a code of conduct. It is not.

There is a fundamental difference between a code of labour practice, which is a unilateral management pledge, mainly made to address public concerns, and a framework agreement, which is recognition that the company will engage the relevant international trade union organisation and discuss issues of fundamental concerns to both parties.

Whereas most corporate social responsibility (CSR) exercises are voluntary efforts (promises or claims), the adoption of framework agreements (FAs) - agreements between international trade union organisations and multinational enterprises on basic shared principles - can be seen as the start of international collective bargaining. In fact, FAs should be considered more as global industrial relations, rather than as a part of CSR, in spite of the fact that signing a framework agreement is an important way for a company to show it is behaving in a socially responsible manner.

FAs are also a possible way to resolve conflicts or problems before they become serious or damaging, based on the agreement, dialogue and the establishment of a certain amount of confidence inside the relationship. Most problems that have been resolved so far, through global social dialogue or with the help of an FA, have been worked out informally and quietly. Unlike campaigns and other public action, the intention is to implement common, agreed principles in a way that leads to a speedy resolution of conflicts or even anticipation of conflicts, partly with the aim of preventing damage to the reputation of a company. Nevertheless, dialogue and agreements have also been used to resolve conflicts that have become public.

At the time of writing, there were over 30 such framework agreements signed.

FRAMEWORK AGREEMENTS

	Global Union Federation	Company	Year	Industry
	ICEM	Statoil (Norway)	July 1998	Oil
	ICEM	Freudenberg (Germany)	July 2000	Non-woven and allied products
	ICEM	Endesa (Spain)	January 2002	Power
	ICEM	Norske Skog (Norway)	June 2002	Paper



ICEM	AngloGold (South Africa)	September 2002	Mining
ICEM	Eni (Italy)	November 2002	Energy
ICEM	Svenska Cellulosa Aktiebolaget (Sweden)	April 2004	Paper and Packaging
ICEM	Lukoil (Russia)	May 2004	Oil



IFBWW	Ikea (Sweden)	May 1998	Furniture
IFBWW	Faber-Castell (Germany)	March 2000	Writing, drawing and painting products
IFBWW	Hochtief (Germany)	March 2000	Construction
IFBWW	Skanska (Sweden)	February 2001	Building-related services and project development
IFBWW	Ballast Nedam (Netherlands)	March 2002	Construction



IMF	Merloni Elettrodomestici (Italy)	December 2001	Domestic appliances
IMF	Volkswagen (Germany)	June 2002	Auto
IMF	DaimlerChrysler (Germany - USA)	September 2002	Auto
IMF	Leoni (Germany)	April 2003	Wire & Cable manufacturing
IMF	Gea (Germany)	July 2003	Process technology, thermal and energy technology
IMF	SKF (Sweden)	November 2003	Rolling bearings and seals
IMF	Rheinmetall (Germany)	January 2004	Defense, automotive, electronics
IMF	Bosch (Germany)	April 2004	Automotive and engineering
IMF	Prym (Germany)	August 2004	Metal press buttons, electrical contact parts and sewing and quilting notions
IMF	Renault (France)	October 2004	Auto



IUF	Accor (France)	June 1995	Hotel, catering and tourism
IUF	Danone (France)	August 1988	Food
IUF	Chiquita (USA)	June 2001	Bananas
IUF	Fonterra (New-Zealand)	April 2002	Dairy products



UNI	Telefónica (Spain)	April 2000	Telecommunications
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<i>uni</i>	UNI	Carrefour (France)	May 2001	Retail
	UNI	OTE (Greece)	June 2001	Telecommunications
	UNI	ISS (Denmark)	May 2003	Property services
	UNI	H&M (Sweden)	January 2004	Retail

Framework agreements – definition

Framework agreements can only be signed by Global Union Federations, as the representatives, at global level, of workers in a particular company or industry, in other words, by counterpart organisations of global companies. Only GUFs have the legitimacy and global mandate to negotiate such agreements. GUFs must have the central role in the implementation of the agreements, as well as in their negotiation.

Another feature of the agreements is that they establish frameworks of principle and are not detailed collective agreements. They are not intended to compete or conflict with collective bargaining agreements at national level. Indeed, they are intended to help create the space for workers to organise and bargain. Some GUFs have specific policies on the relationship between FAs and collective bargaining agreements. In that context, some FAs are short statements of principle and others are more detailed.

Framework agreements - contents

There are variations in the contents of framework agreements. This is a reflection of different needs of workers and companies related to specific characteristics of industries and different traditions and relationships. However, all of the agreements include respect for core labour standards. Whilst most framework agreements centre on the fundamental rights at work, this is not a necessity. Some agreements – or parts thereof – have been signed on other issues, such as training and education.

Freedom of Association

Nearly all FAs list conventions 87 and 98 by convention number, rather than just having a reference to the principles. This is important because it means that, in the event of differences over the meaning of freedom of association, the decisions of the ILO Committee of Experts and the ILO Committee on Freedom of Association would be relevant. In addition, and in order to be still clearer, however, some FAs also explicitly mention that companies will not oppose worker self-organisation.

Some FAs use language taken from the OECD Guidelines for Multinational Enterprises, as well as language from a clarification by the OECD to the OECD Guidelines, which called for a positive attitude by employers towards trade unions and an open attitude towards the organising activities of trade unions.

Several FAs also mention ILO Convention 135 (Workers' Representatives Convention).

Other core conventions

It is also common to have core conventions other than those covering freedom of association and collective bargaining. The full range of core labour standards is particu-

larly relevant in relation with suppliers: ILO conventions No. 29 and 105 on the abolition of forced labour, No. 100 and 111 on the prevention of discrimination in employment and equal pay for work of equal value and No. 138 and 182 on child labour.

Other clauses

References to respect national law can be found in some FAs. However, it was agreed that such pledges were, on their own, not sufficient to have a good quality agreement. In many countries, both developing and developed (for example, the United States), good corporate behaviour is allowed even if law does not compel it.

Some agreements have no provision for expiration of agreements. It is understood they can be modified or re-negotiated at any time. Others have fixed periods for the application of the agreements or a clause that either party can terminate the agreement with a specified advance notice. There is no uniform policy to this.

There are a growing number of business partner or supplier clauses, which were not found in the first generation of FAs. Unlike codes of conduct, most FAs do not deal with monitoring and verification, but rather are used to solve problems and build organisations for workers, hereby creating the possibility for these workers to enforce workers rights themselves.

Negotiation and implementation of framework agreements

In many cases, home country unions have played a role in achieving framework agreements. In some cases, it may simply have been to facilitate the negotiation process. In other cases, however, the home country unions have been heavily involved in the negotiations. There has also been involvement by European Works Councils. EWCs offer the potential, given their regular corporate contacts and social dialogue, to encourage global labour relations between GUFs and individual companies.

One of the reasons for trade unions to agree on a framework agreement is that it helps to establish trade unions throughout the different parts of an enterprise. In the case of unilaterally adopted codes of conduct, companies often use a system of monitoring by an independent outsider. Where framework agreements have been signed, this becomes less important. The reason for that is that the only real way to guarantee the respect of labour rights is to have a trade union on the spot. It is the only possibility to 'get the movie of what is happening, instead of a picture'.

Dispersing the information about the agreement widely, on the other hand, is very important in order to make a framework agreement successful. It needs to reach the people that need to know. GUFs, as all of them have extensive worldwide networks, are ideally placed to do this.

THE DANONE - IUF AGREEMENT

A significant breakthrough in international industrial relations are the agreements between the IUF and the French food industry giant Danone (formerly BSN). Following a sequence of annual meetings between trade union representatives - coordinated by the IUF - and a delegation of central management - led by the president of the company - the General Secretary of the IUF and the Director of Human Resources of Danone signed a "Common Viewpoint", which pledged both management of the group and the trade unions representing the Danone employees, to work jointly in five areas: training and skills development, access to company information by trade unions, promoting gender equality, trade union rights and employment.

Progress has been made to flesh out the meaning of union - management co-operation in each of the five areas through a series of "framework agreements". In 1989, agreements were reached spelling out the minimum social and economic information that workers and their trade unions would need, as well as an agreement on equal treatment between men and women that pledged the formulation of an action plan and joint initiatives to achieve this goal.

In 1991, the IUF and Danone announced the development of joint training programmes and, in May 1994, the IUF and Danone signed an historic charter on trade union rights in which Danone agreed to guarantee the full exercise of recognised trade union rights throughout all of its operations. Meanwhile, an agreement was signed in 1996 to constitute a global Information and Consultation Committee, made up of management representatives and trade union delegates under the co-ordination of the IUF, with regions outside Europe being represented by the IUF Regional Secretaries for Africa, Asia/Pacific, Latin America and North America. This was followed, in 1997, by the signing of a "Joint Understanding in the Event of Changes in Business Activities Affecting Employment or Working Conditions". This agreement served as a basis for a specific agreement on social standards applicable to all entities affected by the industrial restructuring plan of 29 March 2001 for biscuit operations in Europe.

The experience has been that local managements are not always prepared to put into effect some of the innovations of the framework agreements and that not all trade unions have taken advantage of the opportunities provided by them. For instance, although the company employs a high proportion of women in its manufacturing facilities, only a few women's committees have been established at workplace level and few have been established within the unions. Nevertheless, the agreements have led to concrete programmes with respect to equality and training at the local level, to guaranteeing that no worker is left without solution in case of restructuring and that other job-generating activities be put in place on industrial sites that Danone had decided to close. Above all, it has been made an absolute principle that trade unions be recognised and consulted on all matters affecting the life and future of the workforce.

The IUF/Danone agreements are steps that build the international industrial relations that trade unions will need in order to meet the challenges of MNEs. The lesson is that understandings between trade unions and MNEs at international level create additional space for local trade union organisations to organise workers and negotiate with local managers.

FRAMEWORK AGREEMENTS – EXAMPLES OF HOW THEY WORK

IMF – DaimlerChrysler

In July 2002, 400 workers at Ditas, a company producing spare parts in Nigde, Turkey, went on strike. The main reason for their action was the employer's refusal to respect trade union rights at the workplace and to bargain with the union.

For a long time, the case seemed to be lost for the workers. However, after eight months of strike action, the dispute was over. The company and the IMF-affiliated union Birlesik Metal-Is signed their first collective agreement, offering the majority of the union's members fulltime work and pay.

Playing a crucial role in reaching the settlement at Ditas is the fact that one of its customers, DaimlerChrysler, and the IMF had signed a framework agreement in which DaimlerChrysler not only acknowledges its social responsibility towards its own workforce, but also expects its suppliers to apply comparable principles as the basis for mutual relations. With this made clear to the management of Ditas, the conflict could be solved.

ICEM – Statoil

On February 5, 1996, Crown Central Petroleum management locked out the 252 PACE (ICEM affiliate in the US) members at its Pasadena refinery in Texas in an attempt to break their union. This started a dispute that continued for 5 years.

In October 2000, because of the framework agreement, Statoil cancelled its contract for the processing of crude oil at Crown's Pasadena refinery. The contract used 35 percent of the refinery's capacity and its cancellation was a powerful blow to the company.

Three months later, in January 2001, PACE was able to defeat the five-year lockout with Crown. The workers in Texas could go back to work with a union contract in their pockets.

UNI – Telefónica

In Brazil, UNI's affiliate, Sintetel, has been able to use the framework agreement with Telefónica to increase its membership significantly. Organising members is a priority for Sintetel, given that the telecommunications system in Brazil is being privatised. Telefónica has a large call centre business in Brazil, operating through different call centres.

Most telecommunications companies in Brazil are trying very hard to keep trade unions out of their operations. Sintetel has been able to use the Telefónica framework agreement to organise members without the company opposing them.

The union has been able to grow from about 25,000 members, at the time when the FA was signed in 2000, to a membership of about 120,000 in 2003. Not all new members come from Telefónica call centres though. Sintetel was able to use the new members they gained in the Telefónica centres, as a springboard to get other call centre workers in the union.

IFBWW - IKEA

Swedwood, IKEA-owned companies, and the Polish and Swedish IFBWW member organisations started a social dialogue project in 2002 with the objective to establish sound industrial relations and trade union representation at company level in Poland.

The unions report that 9 out of 12 Swedwood factories are unionised in the meantime. The Polish unions very much welcomed this management/trade union approach because the unions are able to organise workers and start collective bargaining, hereby becoming part of a sound industrial relations system.

IUF – Chiquita

At the beginning of 2004, Chiquita announced that it was negotiating the possible sale of its Colombian operations to a Colombian national producer, BANACOL, with whom it would enter into a long-term purchasing agreement. As the FA commits the company to use its influence with suppliers to respect the same union rights standards that apply to company-owned operations, the IUF initiated discussions with the company to preserve the collective bargaining agreement between Chiquita and the IUF-affiliated SINTRAINAGRO.

A Memorandum of Understanding between the IUF, COLSIBA, SINTRAINAGRO and Chiquita was finalized which commits Chiquita to "insist that any agreement for such a sale would provide for the existing collective bargaining agreement to remain in full force and effect and for the potential buyer to continue to recognise SINTRAINAGRO as the single union representative of current Chiquita workers, with all rights and obligations." Chiquita would "insist and use its best efforts to ensure that BANACOL respect the minimum labour standards and the terms of the IUF/COLSIBA/Chiquita Agreement as they would apply to a Chiquita supplier and that the interpretation of that part of the agreement in this case would recognise Chiquita's significant influence within the current negotiations."

10. COMPANY INFORMATION AND RESEARCH

Globalisation not only means that there is now an added dimension for trade union work, it also greatly increases the importance of work that many trade unions already do. In two basic areas of this work, organising and collective bargaining, the presence of a multinational enterprise often means additional research and preparation.

Finding information

If unions want to take advantage of whatever international connections may exist, it is necessary to do at least some basic research. This does not necessarily mean that trade unions must have full-time professional researchers. Much basic research does not have to be costly or time consuming. It may be enough in certain cases to have some experience with research and to know how and where to obtain information.

As most GUFs play an important part in company research and in documenting working conditions in the industry or sector, participation in GUF meetings, exchanging documents, good personal contacts and relations are all of great value for building valuable background information.

The GUFs may be able to help with research or provide tips to affiliated unions about gathering information. They are also the source for a great deal of information on companies and industries, not only facts and figures, but also insights into corporate practices and cultures. Often the answer to the most difficult questions lies in knowing the right person who can assist in getting it. The GUFs may also be a good source for establishing a variety of contacts with other trade unions, friendly organisations, local companies, or MNEs.

As solidarity is always a two-way street, it is not only important to have good relations with the GUFs and their contacts, it is also important for trade unions to have resources and to serve as contact points themselves. Research is not only important for the trade union itself, it also means that others can be provided with the information they may need.

GUFs AND LANGUAGES - IMF LAUNCHES RUSSIAN WEB-SITE

As an example of how GUFs are making an effort to reach all workers they represent, the IMF launched a Russian-language website, targeting trade unionists in the republics of the former Soviet Union and the Baltic states. The IMF has over 4 million members in Russia, Ukraine, Belarus, Latvia, Lithuania, and Estonia.

The site contains a regularly updated news section, information about the IMF, affiliates' addresses, information on events, a links collection, contact possibilities and a publications page from which important IMF documents - like the IMF Action Programme and Rules - can be downloaded. The Russian language website helps the IMF affiliates get access to unbiased information.

Most GUFs have sites (or parts thereof) in English, French and Spanish. Other languages used to construct web sites are German (ICEM, IMF, ITF, ITGLWF, IUF, PSI, UNI), Japanese (ICEM, IUF, PSI), Russian (ICEM, IMF, ITF, IUF), Swedish (ICEM, IMF, ITF, IUF, PSI), Italian (IMF, IUF) and Croatian (IUF).

Probably the most essential information about a company is who owns it. Establishing this contributes to an understanding of the decision-makers and is a first test for the presence of an international dimension. All too often trade unions fail to make this test, only to discover in the middle of a dispute that the company is foreign-owned. It needs to be determined whether a company is a wholly owned or a partially owned subsidiary of an MNE, whether it is a joint venture or whether it has some other form of financial relationships.

A basic fact about ownership is whether a company issues stock, which may be purchased by members of the public, or whether it is owned by an individual, a family, or others and is not traded on the stock market. Generally, there is more information on publicly traded companies and it is easier to obtain. This is because in a lot of countries these companies must comply with more reporting requirements than non-public companies and because they are studied by organisations supplying information to investors. Companies that do not have stock that is traded on the stock market are not subject to as much scrutiny. Generally, it takes more effort and a different approach to obtain information about these companies.

There is often less public information available on smaller MNEs, which may be controlled by a financial holding company or which can be privately held. However, in many cases, there is a wealth of information about such companies available informally at the local level in company publications, from transferred managers, etc.

Research, analysis, and planning will be most effective if it is ongoing. In other words, it may be much easier to act if the effort to track company strategies and changes has already been made on a continuous basis, with or without professional assistance, rather than trying to do everything in an emergency.

Just as no two disputes are the same, there is no standard set of facts valid for all actions or campaigns. Also, changes make it necessary to update facts and figures and other information regularly. The set of questions in the box 'facts about the enterprise' may be helpful in assembling basic information. In using this, it is important to keep in mind that, in case of a dispute, the information should be provided to other organisations as soon as possible. If you do not have all the facts, forward the information you have, provided it is accurate. It is always possible to provide the extra information at a later stage.

FACTS ABOUT THE ENTERPRISE

Company facts:

Name of the company: _____

Address: _____

Tel/Fax: _____

E-mail: _____

Web site: _____

Branch: _____

Main products or services: _____

How many people are working at the company? _____

What is the financial situation of the company? Do you have access to the company's financial accounts? _____

Industrial relations

Is there a collective bargaining agreement in the company? How many employees are covered by it?

Where there any previous industrial disputes? What happened?

Have there been any lawsuits against the company or initiated investigations?

Does the company have a code of conduct or something similar?

Is there a framework agreement?

Company leadership

Who is on the company's board of directors? How can they be contacted?

Who is the Chief Executive Officer (CEO) of the company? How can he or she be contacted?

Who owns the company? Is it privately held, and if so, by who?

Or is it publicly held, and if so, who are the main shareholders?

Are there any pension funds that have shares in the company?

Company relationships

Is the company part of a larger company? Is it a subsidiary? What is the parent company? Is it organised? Or is it a joint venture, a holding company, etc.?

Who is involved?

Are there any other company divisions or locations in the same country? Where are they located? How many people are working there? Are they organised?

What are the relationships with other companies such as suppliers or customers?

Are the workers in these other companies organised?

What other companies operate in the sector or region?

What is the overall economical situation in the sector? In the region? In the country?

Union facts

How many members does your union have?

What are the affiliations of the union?

Which unions represent other divisions and/or locations of the parent company?

What are their affiliations, nationally and internationally? Who can be contacted?

What other unions are operating in the sector? Affiliations? Who can be contacted on other unions in the sector?

What other unions are there in the community?

Information on a company can be obtained from government and commercial sources as well as from the company itself. Company press releases, newsletters, bulletins and, for publicly traded companies, the annual report, are all useful. However, it must be borne in mind that company sources will only contain information that the company wants to be known.

More critical and analytic information can be obtained from commercial sources. They include general business and financial journals, for example, the *Financial Times* and the *Wall Street Journal*, as well as national and international trade and industry publications. Commercial reference books including company directories that are designed to provide information for investors and other businesses are also available. These books are expensive but may be found in reference libraries. Government records would include corporate and partnership registration records, court records as well as records of regulatory agencies, which are often publicly available. The GUFs will be familiar with most of the commercial sources of information available about companies in their respective sectors.

Most of these commercial, government or company sources are also available on the internet, and increasingly so. The internet has, for those that have easy access to it,

become the easiest and fastest way to get information. Next to hosting electronic versions of the information that also exist on paper, the internet has its own new sources for company information (see box).

RESEARCHING COMPANIES ON THE INTERNET

For most trade unionists, once they can find their way around the web, it quickly becomes one of the prime sources for information and, although not everything can be found on the web, for many it is the first place to go to when facts and figures are needed. One drawback is the fact that most web sites are published in English, making a basic knowledge of English a necessity in some cases. However, as the web has expanded, this has also been changing.

There are several ways to find the information needed. All major companies have web sites of their own, containing details on most parts of their operations. The majority of them are also regularly updated, making it easy to find recent data. Obviously, companies only put the information they want on their own web site, but it still is a good way to start looking for basic information, such as financial overviews, useful addresses, names of decisions makers, links to subsidiaries, etc.

Other and/or more information may be found on the web sites of national or international organisations that deal with the issues about which information is needed. These include trade union organisations - the right national trade union or the right GUF may have the right information - but also others, like NGOs or international organisations, such as the UN or the ILO.

Organisations that deal with a specific subject, e.g. child labour or human rights, may have precise and comprehensive information. Since these are not company web sites, they will also have information that the companies are not willing to share with the world on their own web sites.

There are also many independent web sites specifically dedicated to providing information on companies, mainly multinationals. A drawback here is that, for some of them, in order to get full access to the databases, a user fee has to be paid.

Some examples are:

AFL-CIO Corporate Pay-watch: <http://www.aficio.org/corporateamerica/paywatch/>

Corporate information: <http://www.corporateinformation.com/>

Europages: <http://www.europages.com>

FreeEDGAR: <http://www.freeedgar.com/>

HOOVER'S: <http://beta.hoovers.com/>

PR Newswire: <http://www.prnewswire.com/cnoc/cnoc.shtml>

One world: <http://www.oneworld.org/guides/TNCs/index.html>

Transnationale: <http://www.transnationale.org/>

Of special interest is the Global Unions website (<http://www.global-unions.org>). The site, launched in April 2000, is jointly owned and managed by ICFTU, TUAC, and the GUFs. The Global Unions use the site to draw the attention of their partners, their members, and the press to the news they produce and the campaigns they run. The site incorporates a full text search and an advanced search form, to provide easy access to several hundred pages of information, much of which focuses on multinational companies.

Another source of information are the media-sites on the web. Most major newspapers, magazines, television companies, etc., publish articles and stories on the internet. One of the main advantages of this is that they can be retraced months or sometimes even years after the article was released. A drawback is that more and more of these sites recently started providing information only if the visitor is prepared to pay for it.

Given the enormous amount of web sites on the internet, with all of them containing lots of information, the difficulty increasingly lies in finding the right place to look for information. In this respect, it is worthwhile taking the time and effort to create a list of useful website addresses.

Another important tool to get to the right place on the web are the various search engines that exist. These search engines offer the possibility to find information on keywords or categories of your choice. There is a wide variety of search engines, so if one of them does not come up with the right information, try another one. Most of the search engines' names are well known. One of the more popular and better ones is Google search (<http://www.google.com>).

Similar to this, there are also search engines for recent news items. Two examples are Yahoo news (<http://dailynews.yahoo.com>) and World News Network (<http://www.world-news.com>).

In searching for one or more keywords, or a combination of them, the search engine explores the internet and comes up with a list of links to the most relevant sites. This is a free service and, through the use of very powerful computers, search engines come up with a wide variety of links to relevant sites almost immediately.

Although in general relatively easy, making good use of the system of search engines requires a little bit of experience and learning, as there are a few techniques involved. It is often necessary to refine a search in order to avoid ending up with too many links to web sites and too much information. Different search engines use different techniques.

By way of an example: it is possible with Google to search for keywords within a particular web site. For instance, in order to find the pages containing the word 'globalisation' on the Global Unions web site, type: "globalisation site:www.global-unions.org".

Other useful information on an MNE may be obtained from the company's competitors, its suppliers and from public officials who deal with the company. Certain information, often the most valuable, must be obtained locally. An often under-utilised resource is the information and knowledge of the workers in the company. While an individual worker may only see a piece of the company, collectively, workers know almost everything about the production and distribution systems, the suppliers, and the customers of their company. They will also know the changes that have occurred or those that are being planned. Trade unions are in the best position to gather company information from workers. Company networks built around a GUF are the best means to get this information.

Research and the international dimension

Just as research, planning, and preparation are necessary at the national level, international success may also depend on it. If serious difficulties develop in collective bargaining with a multinational firm, for example, and a GUF is contacted after a strike is underway, or, even worse, after it is lost, it may be very difficult to help. If, however, the union is already following the activities of the company internationally, as well as nationally, and if the GUF, and through it, other unions within the company, are kept informed about potential difficulties well before the dispute, it is much more likely that international assistance will be helpful.

It may be important to take the international dimension into account when formulating negotiating demands. Trade unions will want to understand what constitutes best practice or norms in any industry and, perhaps more importantly, what the MNE applies in its operations in other countries. This idea is contained in the ILO MNE Declaration, which, for example, provides that an MNE should make available information on “safety and health standards relevant to their local operations which they observe in other countries.” The Declaration also says MNEs “should provide workers’ representatives with information required for meaningful negotiations with the entity involved and, where this accords with local law and practices, should also provide information to enable them to obtain a true and fair view of the performance of the entity, or where appropriate, of the enterprise as a whole.”

The international dimension must also be included when determining the profitability of a company, a basic step in preparation for collective bargaining. MNE subsidiaries are sometimes expected to meet a projected target rate of profit set by the parent company. In collective negotiations, trade unions may be informed that, since the enterprise is not attaining that rate of profit, union demands cannot be met. It is often the case, in particular soon after an enterprise has been acquired by a MNE, that the target rate of profit set by the parent company is unrealistically high. Reasons for this may include that the parent company is more familiar with another sector or that the acquisition price has been excessive. In these circumstances, trade unions should know what profits other firms in this sector are earning. It may also be useful to know whether pressures for unrealistic or even excessive profit margins are coming from outside investors.

It is often difficult to ascertain the profitability of a particular MNE subsidiary enterprise or factory from data coming from the enterprise itself. MNEs make extensive use of transfer pricing for their intra-firm transactions, which may include the bulk of their purchases and sales. Transfer pricing involves setting the prices for internal transactions within the company higher or lower than market value. This process is often used to minimise taxation, to help undersell a competitor in a crucial market, to assist another unit in the same MNE, or for any number of other reasons related to the strategic planning process of the MNE as a whole.

Another basic step in preparing for collective bargaining is the understanding of the relative strengths of the trade union and the company in the event of a dispute. Since the MNE may have the ability to produce the same product at an enterprise in another country, thus reducing the potential impact of a work stoppage, it is important to know early about all of the production sites that could be involved. In that way, unions in other countries can be alerted to a potential dispute. Many trade unions, promptly and properly informed about the causes of a dispute, may be able to ask their members not to handle struck work.

In preparing for a potential dispute, the task of examining other business linkages for potential vulnerabilities of a firm is more complicated if the firm is a subsidiary of a foreign MNE. Investors, suppliers, markets, and strategic partners are all more likely, at least in part, to be located outside the country. While this does not mean that pressure or influence cannot be brought to bear on these linkages, doing so becomes a longer and more complicated process. Moreover, one or more foreign trade unions may need to be involved in any effective strategy involving business linkages. This requires communication and policy co-ordination at the earliest possible moment.

Hence the necessity of conducting the investigations long in advance of contract expiration dates and the need for early involvement of the GUFs.

The preparation of an organising campaign involves gathering much of the same kind of information as would be required in preparing for a possible collective bargaining dispute. This would include acquiring an understanding of the product produced or the services provided, the market and whether it is international, as well as how the target facility fits into a chain of production or services. An organising campaign can be difficult for the workers concerned and this kind of information may be crucial in protecting those workers before and after the trade union obtains recognition. Once again, much information may be available from workers at the facility.

THE BURMA COMPANY DATABASE – HOW THE RESEARCH IS DONE

As part of a long-standing Global Unions campaign for the full respect of human and workers' rights in Burma, the ICFTU has compiled a database of companies with links to Burma.

A lot of the companies have been added to this list as a result of information sent to us by affiliates and other organisations (a number of these organisations also maintain - more limited - lists of their own). The names of the other companies have mainly been added with the help of the internet and automatic e-mail-based systems. This requires continuous and ongoing research on an almost daily basis.

The ICFTU receives, by e-mail, the daily official journal of the Burmese junta, the "New Light of Myanmar". In this propaganda publication, the dictators regularly describe meetings between ministers or other senior military staff with representatives from foreign companies.

The ICFTU receives, also by e-mail, items on Burma from different news sites. Several 'news search engines' offer the possibility to automatically send any news item, published anywhere in the world, on any chosen topic (in this case 'Burma') to an e-mail address.

Next to these news search engines, there also are regular listings by specialists that closely follow events in Burma and distribute all press articles on Burma to their 'e-mail community'. This also happens on a daily basis. Needless to say, all this means receiving a lot of e-mails that need to be read.

Some names were found on old lists of enterprises with links to Burma. A number of these lists were compiled by other organisations, but, for example, also the old Burma telephone directory from 1997 was useful. The sites of those companies were then searched for references to Burma to see if the link was still valid.

With the exception of an appearance of a company in the 'New light of Myanmar', no other information provided by the Burmese junta was used as 'evidence', unless the information could also be verified on "non-Burmese" sites or through other independent sources.

Another tactic that was used successfully is to actively search the internet, through the use of search engines, looking for company sites that contain a link to Burma. This is relatively easy, but also time consuming. It involves an extensive use of search engines, searching for certain strings of words, for example, the combination of 'corporate offices' and 'Myanmar' (the name of the country the junta uses) or 'local operations' and 'Yangon'.

II. TRADE UNION CAMPAIGNS WITH AN INTERNATIONAL DIMENSION

Campaigning is a fundamental and growing activity for both national and international trade union organisations. A campaign may be distinguished from simple actions such as sending solidarity messages in the sense that a campaign involves a series of planned steps, which may include more than one kind of activity. The key word is ‘planned’. All serious campaigns have a beginning, middle, and an end. The beginning involves the decision to campaign as well as campaign planning and preparation.

Campaigns almost always aim to enlist others to help obtain an objective, and they can come in a variety of forms.

Whether a campaign seeks to influence a government or an employer, it is a way of expanding an industrial dispute, most often by involving other trade unions and their members. Members of the public are often also targeted, in their capacity as voters or consumers, often through the mass media.

While campaigns based around an industrial relations dispute with an employer or a government may be the most common or well known, campaigns can also take other forms. Trade union rights campaigning, for instance, may tackle broader issues, such as state sponsored restrictions on workers’ rights to join and form trade unions.

Why campaign?

Not surprisingly, many trade union campaigns, national or international, are reactive, that is they are responses to government or company actions and to trade union requests for assistance.

There are some exceptions, however. Campaigns can be part of a positive strategy to achieve a trade union objective. The international trade union movement is engaged in various campaigns where the long-term objective is to create a binding international framework for business activity that also protects workers. These campaigns, some of which can last a very long time, are key elements in the trade union response to the challenge of globalisation. In recent years, there has also been a growing interest in other positive campaigns, such as organising campaigns through international trade union co-operation.

RESPECT!

From Vanuatu to South Africa, from the Balkans to the Andes, in countries as different as Benin, Brazil, Italy, or Japan - in over 50 countries - May 1st events were united under a common banner, a call for “Respect”, for the first time on May 1st, 2003. The theme was launched in February 2003 by the ICFTU, on behalf of Global Unions.

“Unions worldwide are responding to the call from their international trade union organisations, demanding Respect for workers, and for people in general, during these times of international economic and political uncertainty,” said ICFTU General Secretary Guy Ryder on May 1st, 2003, when he was addressing a rally in front of Moscow’s town hall. “We live in a globalised world, where trade unions need to put forward global strategies and speak with a global voice. This is what the ICFTU, its affiliates, and its Global Unions partners are expressing on May 1st by organising this joint global action.”

The ICFTU-backed May 1st mobilisation represented the first time in history that so many national and local trade union organisations have integrated a single international theme into their national activities.

To see what happened: <http://www.icftu.org/displaydocument.asp?Index=991217414>

This section considers four different kinds of international trade union campaigns and their purposes.

What is a trade union rights campaign?

The most common international trade union campaign is the trade union rights campaign. This kind of campaign often reaches the international level when a request for help is received from a national trade union organisation about a trade union rights violation that has occurred. Most of these campaigns are directed at specific governments with the object of getting a government to respect or protect the very basic trade union rights of its citizens in a specific situation. International campaigns have addressed interference with the right of workers to organise, including the dismissal or imprisonment of activists and trade union organisers, limits or bans on trade unions, for example through excessive registration requirements or other restrictions, and the suppression of strikes.

If a company is not respecting the rights of workers, the rights violation also remains the responsibility of the government. It is the government which should adopt laws which protect workers' rights and it is the government which must combat corporate lawlessness. Campaigns can, however, be directed at both governments and companies, as many disputes with companies involve violations of trade union rights. Obviously, such efforts to influence both governments and companies over violations of trade union rights can be more effective than addressing only the government or the company. However, care must always be taken to ensure that the government concerned is not absolved of the ultimate responsibility.

The trade union rights campaign shares many of the purposes and techniques with campaigns organised by other well-known human rights organisations. These campaigns seek to provide urgently needed protection to those who have been threatened or imprisoned by shining the spotlight of international publicity, thereby increasing the difficulty and cost of continued repression in a specific instance. A common feature of these campaigns is the mobilisation of messages from as many organisations and countries as possible. Because rapid response to appeals for solidarity is essential, the trade union rights campaign can be viewed as an ongoing process.

Often, an international appeal is issued by the ICFTU or a GUF, inviting national trade union centres, national unions, labour activists and other organisations, active on labour issues, to raise the issue with the offending government and/or company. The appeal would be distributed through various channels – often a model letter would be provided and people would be urged to adapt and send this by fax, letter, or e-mail. Such efforts have often resulted in scores of letters from trade union organisations, and even thousands of letters from individual activists. Often they have produced pressure leading to positive results by reminding the offending government that the whole world is watching.

The ICFTU has a committee on Human and Trade Unions Rights, consisting of representatives from ICFTU affiliates and GUFs, for the purpose of mobilising trade unions in various ongoing campaigns to protect trade union rights.

Trade union rights campaigns often have a “legal” quality to them and for good reason. Violations of trade union rights occur where governments fail to adopt adequate legislation or where they do not adequately enforce legislation. Violations of trade union rights also occur where government policy or law restricts or even prohibits the exercise of trade union rights. However, trade union rights are often provided for in the national constitution, including in countries where these rights are not fully respected. In all such cases, the offending government will be in violation of established international standards and, often, treaty obligations.

For this reason, trade union rights campaigns also may be accompanied by the lodging of a complaint with the ILO, usually at the Committee on Freedom of Association, which can then lead to an investigation of the case by the ILO (*See box*).

A good trade unions rights campaign should make clear what the obligation of a government is in a particular situation. This means being familiar with the international instruments addressing workers’ rights. It also means recognising whether any situation is a violation of these rights.

Not all violations of trade union rights are as flagrant as the arrest of trade unionists or the brutal suppression of strikes. Excessive administrative obstacles to trade union recognition, unduly long legal procedures, interference in the internal affairs of a trade union and failure by the employer to bargain in good faith can constitute violations of trade unions rights. Sometimes, investment incentives offered by governments to attract international business may contain provisions that infringe the rights of workers to join trade unions and to bargain collectively. In determining whether to mount a trade union rights campaign, it is important to distinguish trade union rights violations from other issues. Not everyone who claims to speak for workers is a legitimate workers’ representative and not every claim asserted across a bargaining table is a right.

THE ILO AND ITS COMMITTEE ON FREEDOM OF ASSOCIATION

As mentioned in the chapter on the ILO, trade union rights are enshrined in the Universal Declaration of Human Rights and its covenants, as well as in other international instruments. They are also embodied in two of the most important conventions of the ILO: Convention No. 87 (Freedom of Association and Protection of the right to Organise Convention, 1948) and Convention No. 98 (Right to Organise and Collective Bargaining Convention, 1949).

The ILO has created the Committee on Freedom of Association in order to examine complaints of violations of these conventions, regardless of whether or not the countries concerned have ratified them. National centres, as well as international trade union organisations such as the ICFTU and the GUFs, can submit complaints to this tripartite committee, which must provide reports with conclusions and recommendations to the ILO Governing Body. Committee decisions have led to positive changes in many cases, in spite of the fact that this procedure can take time and that the ILO has no sanctions other than moral pressure on rights violators.

Lodging a good complaint requires accurate, complete, and well-documented information. This means good co-operation between both local unions and their national unions and between national and international trade union organisations. The ICFTU has considerable expertise and experience in lodging Freedom of Association complaints and regularly co-operates with both national centres and the GUFs in preparing and filing them.

The ICFTU has produced a publication, “Stand Up for your Rights”, which explains in more detail how to report trade union rights violations and participate in trade union rights campaigns. The ICFTU has also developed a special ‘reporting format on violations of trade union rights’ (see box) that can be used by trade unionists to supply the minimum information needed to organise solidarity actions and campaigns. The form is also used to track trade union rights violations worldwide.

“Stand Up for your rights” can be obtained in printed form from the ICFTU and can also be found on the ICFTU web-site: <http://www.icftu.org/www/english/education/manuals/Standup.pdf>

REPORTING FORMAT ON VIOLATIONS OF TRADE UNION RIGHTS

(this is a fictitious, already filled out example from Niger. The details are merely there to give an indication as to what kind of information is needed)

1. Identification of the Sender:	Union of Niger Workers Unions, (USTN), B.P. 388, Niamey, Niger
2. Type of Event:	arrests for organising a strike
3. Date Event Began:	19 March 2005
Date Event Ended (if different):	those arrested are still held in jail
4. Location of the Event:	USTN headquarters, Niamey, Niger
5. Description of the Event:	following a two-day general strike (18-19 March 2005) demanding payment of back wages, 25 trade unionists were arrested
6. Type of Victim(s):	
A) Individual Victim	names and data on those arrested provided on a separate sheet
Occupation:	
Union or other Affiliation:	SYNELEC (electric sector workers)
Name:	
Age:	
Male/Female:	
Dependents:	
Name of Spouse:	
B) collective victim, Union or Other Group:	strikers, mainly from the energy sector
7. Identification of the Person Responsible for the Violation:	police and gendarmes acting on orders from higher authorities
8. Source of Information:	USTN union witnesses to the arrests
9. Follow-up Response:	
Local Action Taken:	immediate protest to authorities, notice given of a 72-hour general strike (26-28 March) with protest marches throughout the country if the strikers are not unconditionally released
Requested International Action:	send letters of protest to: President of the Republic of Niger, Niamey, FAX (227) 73 34 3010
10. Other Remarks:	humanitarian and legal aid may be needed
Date of Report:	25 March 2005

What is a company campaign?

Even in countries where trade union rights are not systematically violated, international campaigns can assist a trade union in carrying out some of its basic functions. Most often, these campaigns concern disputes between a trade union and an employer. These disputes may arise over trade union recognition or difficulties in obtaining a collective bargaining agreement. Unlike the trade union rights campaigns, which mainly target governments, these campaigns are directed at a specific employer and are usually referred to as company campaigns.

In some countries, where there are many problems related to the legal protections for trade union rights, including low penalties for corporate lawlessness or restrictions on secondary action, trade unions have sought other means for action to supplement protections provided by labour legislation. The concept of the *corporate campaign* was developed in the late 1970s and the early 1980s by some US trade unions in the face of continuous management opposition to trade unions with respect to recognition and collective bargaining. The earliest of these campaigns were called *corporate campaigns* because they sought to apply pressure on the parent corporation by focusing on the company's financial relationships and on its Board of Directors. These campaigns sought to influence corporate governance (i.e. the means by which a company is directed or controlled) and, in particular, the relationship between the ownership and the management of the company. Some campaigns have used shareholder actions to raise issues of corporate social responsibility at the annual shareholder meeting of the company.

By the 1980s, the concept and practice of the corporate campaign in the United States expanded to include actions which went beyond the structures and relationships of the industrial relations framework. These new campaigns came to be called *strategic* or *comprehensive campaigns*. The idea of a comprehensive campaign is to expand the conflict in order to provide the trade union with more leverage than it would otherwise have. It does this by applying pressure in as many ways as practical and by attempting to impose real costs on the targeted company.

In a comprehensive campaign, the company is thoroughly studied with a view to discovering any vulnerabilities or "pressure points" that can be used to influence company behaviour. These pressure points include customers or suppliers of the company as well as investors in the company. Actions taken may not always be directly related to the situation that gave rise to the campaign, but involve other ways to generate negative publicity for the company. In a comprehensive campaign, attempts are often made to find common ground with others, such as environmental, consumer, community and other groups, which are concerned about some aspect of the targeted company. Comprehensive campaigns often employ novel publicity techniques.

Not all activities in comprehensive campaigns are directed solely at generating publicity. Sometimes they can involve identifying and persuading individuals or organisations to apply pressure on a quiet, 'behind the scenes' basis. Other examples might have a more legal and less public dimension. For example, trade unions may avail themselves of the public right to intervene in certain regulatory procedures, such as licensing, in order to force greater transparency upon the company and as a means of raising its cost of doing business.

Comprehensive campaigns often use the international relationships of the company. In those cases, trade union organisations in other countries are usually asked to participate in these campaigns.

GUFs have developed and carried out a number of campaigns in situations where limited solidarity actions were not sufficient to resolve a fundamental problem or series of problems with a company. On broader issues, for example child labour, the ICFTU has led several campaigns, with the participation and support of the GUFs. Some of these campaigns included work that focussed on specific MNEs.

The campaign techniques to put pressure on individual employers, both national and multinational, and/or governments differ from one campaign to another. A few general techniques have been developed which have proven to be very effective but most strategies for a campaign have to be re-invented on a case-by-case basis, making it difficult to provide guidelines. Campaigns require imaginative people digging into the very essence of a company. They need to come up with new and innovative ways of using the knowledge of a company's power structure, its public image, its economic and financial links, and its environment in order to change the company's behaviour and resolve problems.

THE ICEM AND INTERNATIONAL CYBERCAMPAIGNS

Since the launch of web sites by trade unions all over the world, the potential of this technology has quickly become clear. The internet is much more than just a new publications medium. Around the world, workers and communities have already been illustrating this by using the internet as a tool for campaigning. Cybercampaigns, where the internet is the centrepiece of the campaign, are ideal methods to exchange views on a company, to raise public awareness of a company's business practises and to give union members, as well as other interested people a chance to forward their concerns to the company.

The International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM) has always been one of the GUFs at the forefront of this evolution, launching the first GUF on-line corporate campaign on the internet in 1996, in support of the ultimately successful USWA struggle against the global tire giant Bridgestone. This was followed by the "Pay our wages" campaign in support of the struggle by Russian trade unions, against the scandal of unpaid wages. In May 1998, the ICEM started a campaign on Rio Tinto, the world's biggest mining company, called "Nowhere to hide". It is ICEM's biggest and most sophisticated cybercampaign until now. And it was a wonderful example of how things can be done.

Hosted by the ICEM web site, the campaign was built on ICEM's pioneering cyberpick-et techniques, which had already been successful in the earlier campaigns. The site included links for electronic lobbying of top Rio Tinto executives and of governments. For all those who wanted to take part in it, it was simply a question of adding their name to the protest letters on the site, which were then automatically sent to Rio Tinto management and/or governments. As Rio Tinto's own web site "omitted" to give fax numbers or e-mail addresses, the ICEM kindly made Rio Tinto's decision makers accessible to all web-surfers via a click of a mouse.

Estimates put the figure of people that are online - for the year 2004 - at between 700 million and 900 million. As many amongst them are trade union members, it is clear that there is large potential in providing workers everywhere the chance to send e-mail directly to a company. Electronic messages are easy to send from anywhere in the world and they reach the contacted person almost immediately. Another consideration is that they may reach other people within a company than the normal letter or fax complaints, which are usually addressed to the person responsible for human and industrial relations.

Further links in the Rio Tinto campaign were operational to enable web users to put questions to parliamentarians in countries where the company was mining or exploring. It also had links to fact sheets with background information on Rio Tinto, links to other unions involved and to press releases on Rio Tinto. These links are important in campaigns, not only because they provide users with more information almost instantaneously, but also because they can be used from other web sites to direct peoples' attention to your campaign.

The site also had a discussion forum, an overview of the campaign news, an image library, and an overview of what the campaign's objectives were. The site furthermore featured the full text of the Rio Tinto stakeholders' report, a detailed report exposing the multinational's most shameful practices.

What is an organising campaign?

Company campaigns do not always have to be responses to requests for help. They can instead be part of a union-initiated plan to achieve a strategic objective. This is especially true with respect to the basic trade union mission of recruiting new members and organising workers into trade unions. There have been several international organising campaigns to assist trade unions in their effort to organise workers employed by specific companies in specific countries.

International trade union co-operation has the potential to help trade unions increase the trade union presence in an MNE. A low level of union organisation or serious gaps in the organisation of one or several parts of an MNEs workforce can deprive national trade unions of sufficient countervailing power with the MNE. This can also hinder the ability of trade unions internationally to reach framework agreements or establish effective global company councils.

International trade union co-operation in organising campaigns, especially where an MNE is involved, has certain obvious advantages. It provides ties with the home-country trade union, shares knowledge of different industrial relations systems and facilitates exchange of information, including corporate research. It can also help to solve problems that were not anticipated. For example, international organisations can bring in their expertise when dealing with sophisticated anti-union campaigns by companies.

International organising campaigns do not have to involve helping workers organise in more than one country. They can be part of a strategy to increase organisation in one country by, for instance, targeting the suppliers and sub-contractors of an MNE or by targeting the firms in a specific industry or in an EPZ. The international component can come from support provided by trade unions in other countries. This support may include providing leverage with either the parent corporation or with the customers or suppliers of the company targeted for organising. Trade unions can also contribute financial resources or other resources such as training or legal assistance.

As with any organising campaign, however, the willingness of workers to try to come together and, often, their ability to overcome their fear, are essential. Without this "support on the ground", international connections will be of little use.

One should not assume that an MNE that has good relationships with trade unions in some countries will not strenuously oppose trade union organisation in other countries.

MNEs often claim that they leave it up to local management. Whether or not this is, in fact, the policy of the company, trade unions should as a matter of principle, hold the parent company responsible for the labour practices of its subsidiary enterprises.

ITGLWF, ORGANISING, ICFTU AND THE WORLD BANK IN THE DOMINICAN REPUBLIC AND HAITI (the Grupo M story)

As an example of the “downward spiral” (governments competing against each other for foreign investment by offering cheaper labour, tax breaks and other concessions), the ICFTU published a report in September 2003 on export processing zones (EPZs).

This report included a story on physical violence by the largest EPZ employer in the Dominican Republic, Grupo M, a company supplying major international clothing brands and employing almost 13,000 people. At that time, this company was expected to receive a US\$ 20 million loan shortly from the International Finance Corporation (IFC), the World Bank's private sector lending arm, to be used to finance a new industrial park in a free trade zone in Ouanaminthe, Haiti, just across the border with the Dominican Republic.

Workers who tried to join a union in one of Grupo M's factories reported beatings (with metal tubes, hammers and machetes) and illegal detentions by company-sponsored thugs inside the factory, which was known for its anti-union attitude. The company also illegally fired three members of the union organising committee, while targeting others.

Already in August of 2003 - just after the situation had been brought to their attention by unions in the Dominican Republic - the International Textile, Garment and Leather Workers' Federation (ITGLWF) and the ICFTU had already written about these problems to the World Bank.

In September 2003, after the allegations were made public, an international trade union delegation visited the site in the Dominican Republic. Soon thereafter, Grupo M appeared to begin to relax its stridently anti-union approach.

The World Bank decided, in October 2003, to hold up the payment of the IFC loan until the trade union allegations about labour rights were investigated. After having received a report on the situation, which validated a substantial part of the trade union allegations, the World Bank approved the loan, but on the condition that the company respect fundamental labour rights, including the right of its workers to engage in trade union activities, as a condition of the loan. “Failure to abide by these provisions will be treated explicitly as an event of default” on the loan. The approval also sought assurance that all other companies leasing factory facilities in the zone would follow the same requirement. Both conditions were unprecedented for the World Bank at the time.

The loan agreement also stipulates regular unannounced compliance audits regarding freedom of association and the company's reporting back to IFC on implementation of the remedial plan. This remedial plan includes, amongst other things, the creation of an ombudsman function, the abolishment of the practise of calling new union members into management offices and effective monitoring of overtime work.

A few months later, at the time of the political unrest in Haiti in early March 2004, 33 workers were fired at the Grupo M plant in Ouanaminthe, Haiti, for engaging in efforts to organise a trade union. Shortly thereafter, the Haitian union involved in the organising campaign at the plant, as well as the ICFTU, the ITGLWF, the AFL-CIO and trade unions in the Dominican Republic and other countries, all demanded that the IFC obtain the reinstatement of the dismissed workers or cancel the loan if Grupo M refused to respect freedom of association. In addition to the IFC, Levi's, as the main purchaser of the plant's production, was also put under pressure.

Because of all that pressure, Grupo M announced, at a meeting with the dismissed workers on 13 April, the reinstatement of the workers and the provision of back pay for six weeks. The meeting was attended by a number of national and international observers, including representatives of the IFC and the Worker Rights Consortium, a US-based NGO that had also been very active on this case.

The company also committed to reading a statement to the entire workforce pledging that Grupo M will respect freedom of association and will not punish any worker for supporting or joining a union.

However, within two months the situation deteriorated once again, when the company refused to live up to commitments to negotiate about the very low wages and unevenly applied bonus system. Almost the entire workforce took part in a one-day strike on 3 June in response to the company's refusal to negotiate. A few days later, the company closed some of the production lines, sacked about half of the employees, and announced it might move some production to plants in the Dominican Republic.

This set off a new international campaign on Grupo M, Levi's and the IFC, calling on Levi's not to accept the transfer of production and on the IFC to cease payments on the loan. The international union organisations called on the IFC to demand that Grupo M be required to rehire the sacked workers and engage in negotiation with the union on its grievances. They reminded the IFC that the loan's conditions stipulate that freedom of association and right to collective bargaining must be respected by the company, and that the loan should be cancelled if these rights were not respected.

As we go to press, some of the sacked workers were rehired and the company had agreed to a mediation process with the union for addressing the labour issues. However, both parties had not agreed on the choice of the mediators and the mediation and negotiation process had not yet begun.

In August 2004, IFC management made public its proposal to broaden the corporation's social and environmental safeguards so as to make freedom of association and the right to collective bargaining, as well as some other labour standards, a condition of all IFC loans.

GLOBAL UNIONS ORGANISING CAMPAIGN 'UNIONS FOR WOMEN, WOMEN FOR UNIONS'

The campaign 'Unions for Women, Women for Unions' was launched on 8 March 2002 and runs until the end of 2005. It aims at organising women workers and focuses on young women, migrant women, women from ethnic minorities, women workers in the informal economy and in the EPZs.

Some of the goals of the campaign are:

- to remove barriers which prevent women to join and/or remain in trade unions;
- to address the needs and improve the working conditions of women workers;
- to bring about a transformation of trade union culture and structures through equality and diversity.
- to have more women at the decision-making level and in leadership positions;

According to the ICFTU survey "Ask a Woman Worker" (2000), the main obstacles for women joining trade unions were:

- women do not understand how unions can help them;
- they have no time because of family responsibilities;
- no one has approached them;
- women have a negative image of the union;
- they feel the union is not sensitive to their needs.

Specific women's campaigns to organise more women have shown to be very effective, with several unions and national centres registering remarkable results. ICFTU affiliates from more than 45 countries were involved in the campaign during the year 2004.

In Mauritania, the CGTM launched their women's organising campaign in January 2004, focussing on the informal economy. In barely 5 months' time, they increased women membership rates by 30% and dozens of new organising committees were formed. The UMT Morocco and UGTA Algeria, which launched their campaigns around the same time, are expected to achieve similar results.

In Spain, in 2003, the UGT showed an increase of 26,000 women members while the CC.OO. almost doubled their women membership rates, from 138,000 to 252,000.

In Australia, the ACTU increased its women's membership by 200,000 within a 2-year period. One of their affiliates achieved major results by focusing on childcare issues.

In Brazil, in 2003, the UNI affiliate SINTETEL (Telephone Workers Union) of São Paulo invited call centre workers to a two-day workshop in their training centre. One hundred young women joined the event. One week later, 600 women workers were organised.

In South Korea, the FKTU organised atypical women workers in tourism and public service sector and set up an independent union for atypical workers.

More information, including the full campaign kit, is available on the ICFTU's Equality webpage (<http://www.icftu.org> – click on 'equality' in the menu). The campaign kit is also available in printed form and can be obtained from the ICFTU through contacting equality@icftu.org. You can also join the 'unions4women email-list' through that address.

General campaigns

Most international trade union campaigns are directed at individual governments, and/or companies, concerning specific situations. However, international trade union organisations are also involved in campaigns of a more general nature. More often than not, these campaigns are initiated by the international trade union organisations themselves. They tend to address broad concerns, have long time frames - reflecting a long-term strategy - and relate to international policy or internal policies and priorities of trade unions around the world. Examples are the ICFTU led campaign aimed at the World Trade Organisation (WTO) for workers' rights in international trade and investment agreements and the Global Unions HIV/AIDS campaign.

The international campaign for workers' rights under the WTO is co-ordinated by a Task Force on Trade Investment and Labour Standards (TILS) consisting of representatives from ICFTU affiliates, regional organisations, TUAC, GUFs and some NGOs such as Solidar. Campaign activities have included representations to international organisations, proposals for ICFTU affiliates to present to their respective governments, international conferences, an international day of action in 2001, linkages with the worldwide themes for May Day, promotional work in the television and printed media, public reports and various publications, regular e-mail discussions and a dedicated website.

The long-term objective is an international framework, linking trade and investment to workers' rights. The campaign has involved a number of "sub-campaigns", with

medium and short-term objectives. For example, these sub-campaigns have sought to secure clauses in specific trade or investment agreements or have used existing clauses such as the workers' rights clauses in the European Union's Generalised System of Preferences (GSP) to deny trade privileges to oppressive regimes, such as Burma, which repeatedly violate fundamental workers' rights.

THE GLOBAL UNIONS HIV/AIDS CAMPAIGN

The fight against AIDS is ongoing in many areas: from the workplace, where prevention needs to be stimulated, and discrimination fought, to the international arena where pharmaceutical multinationals are pressured to lower the price of medication. Over 40 million people are currently living with HIV/AIDS. The vast majority of them live in Sub-Saharan Africa. The disease is also fast spreading in other continents, however. Three million people die of AIDS every year.

The Global Unions HIV/AIDS campaign intends to get more and better information about HIV/AIDS to working women and men, encouraging national trade unions to use their unique communication channels to better inform workers and their families about the dangers of the pandemic. Among the measures proposed by unions are prevention and protective clauses in collective agreements and partnerships with employers.

HIV-infected workers often face a discriminatory environment at the workplace. Thousands of workers are being victimised at the workplace because they are HIV positive. Unfair dismissals, mandatory pre-employment tests, harassment, lack of confidentiality and denial of promotion or vocational training are among the abuses suffered worldwide by HIV positive workers.

A major campaign aim is to help trade unions share their experiences and publicise their success stories in fighting the deadly disease through the world of work. These stories include awareness-raising street theatre in Thailand, union-run HIV/AIDS workshops for couples in Zimbabwe, efforts to end discrimination in the workplace in the Dominican Republic and drop-in centers at border posts for truckers in Central Africa.

Different organisations undertake different actions:

- Since 1994, **EI**, the World Health Organisation (WHO) and UNESCO collaborate in the field of health education and, more specifically, on AIDS prevention issues. New partners have since joined the alliance, including UNAIDS (the Joint United Nations Programme on HIV/AIDS) in 1996. One of the objectives is to raise and strengthen the awareness of teachers on the importance of developing health education programmes within schools and to show the vital role they could play in promoting HIV/AIDS awareness.

As of 2001, **EI** has also started to work at country level. Countries have included Botswana, Malawi, Zambia, Burkina Faso, Guinea, Haiti, Ivory Coast, Mali, Rwanda, Senegal, Lesotho, Namibia, and Swaziland.

- **ICEM** is currently in dialogue with major pharmaceutical companies on providing badly needed anti-retroviral drug treatments to persons living with HIV/AIDS. ICEM is strategically well positioned for such a direct role in the HIV/AIDS fight. It does not only represent chemical workers in the pharmaceutical industry at major drug-producing firms, it also represents some of the industrial workers hardest hit by the virus, i.e. in energy, mining and mineral extraction in the developing regions of sub-Saharan Africa, Latin America and Asia. As part of the campaign, the ICEM is calling on mining and other major companies in energy and oil supply in sub-Saharan Africa to provide medical clinics with fully trained staff in the fight against HIV/AIDS at all major workplace locations.
- The **ICFTU** has signed a joint statement with the **International Organisation of Employers (IOE)** to develop joint action programmes to fight the disease and its consequences, in collaboration with the ILO.
(<http://www.icftu.org/displaydocument.asp?Index=991217492&Language=EN>)
- On the frontline for the ICFTU is the ICFTU's African Regional Organisation, **AFRO**, which has launched a multifaceted programme of action to combat HIV/AIDS and is mobilising unions all over the continent.

The ICFTU publishes several background reports that support its campaigning work. See the box for more information on two main examples.

ANNUAL SURVEY ON VIOLATIONS OF TRADE UNION RIGHTS

Every year, the ICFTU publishes an “Annual Survey on Violations of Trade Union Rights”. This survey has become the flagship publication of the ICFTU and gives an in-depth overview of the trade union rights situation in over 130 countries. Each country overview has information on the current legislation, indicates the general situation as regards the practice of trade union rights, and describes specific cases of trade union rights violations during the year in review.

Over the years these reports have shown that:

- Hundreds of trade unionists are killed each year for their trade union activities;
- Thousands more are arrested;
- While in detention hundreds are ill-treated, even tortured, by security forces or others; scores are sentenced to lengthy terms of imprisonment;
- Tens of thousands of workers lose their jobs each year merely for attempting to organise or join a trade union, while many more are harassed.

The current version of the survey is available in English, French, Spanish, and German on the ICFTU web site: “<http://www.icftu.org/survey>”. It is also available in printed form and can be obtained from the ICFTU. Surveys from previous years are also available.

COUNTRY REPORTS FOR THE WTO ON TRADE & LABOUR STANDARDS

The WTO conducts regular reviews of individual countries trade policies. For each overview the WTO does, which is mainly discussing the economic aspects of trade for any given country, the ICFTU publishes an “internationally recognised core labour standards” report simultaneously. These reports discuss the issues the WTO “leaves out”: the trade union rights of workers, child labour, forced labour and discrimination.

For more information on this, including the list of countries for which the ICFTU has done a review, please go to the ICFTU page on 'country reports for the WTO': <http://www.icftu.org/list.asp?Language=EN&Order=Country&Type=WTOReports>

When to campaign

Campaigns are not last minute appeals for help. Nor are they simple pronouncements of policy, unaccompanied by any plan to promote or give effect to that policy. Campaigns require both purpose and planning. The decision to campaign should only be made after it has been determined that all of the elements for a successful campaign are present. These elements include a clearly defined objective, a strategy to achieve that objective, a timeline, as well as indication of the required resources.

The decision to campaign should reflect an understanding that the objectives are realistic. It should also reflect an equally realistic appraisal of the human and financial resources required and whether they are available. The ability to enlist and motivate both individual volunteers and other organisations (including, in some cases, alliances with non-trade union organisations) should be taken into account. Whether the campaign can attract additional resources and how costs might be shared can also be part of the decision to campaign.

The decision to launch a company campaign should be made only after a considerable amount of corporate research. A campaign relies on accurate information, which is likely to be the source of negative publicity for the targeted company or its business partners. The initial research must not only be accurate, but also complete. Since companies are highly sensitive to their public image, and will often "hit back" publicly, the information used must be factually correct and sustainable under critical examination.

International campaigns require international partners. Throughout the past decade, the number of requests for international assistance by trade unions, including requests to launch or join a campaign, has increased dramatically. In many of these cases, the situation is so serious that it cannot be resolved without considerable effort over the long term.

In cases of serious or prolonged violations of trade union rights, a GUF may co-ordinate a campaign to maximise pressure on the offending company. Such a decision is only taken after serious deliberation and an examination of what resources and tactics might be successful in that specific campaign. Two widely recognised priorities for sustained solidarity actions are:

- disputes involving the suppression of trade union rights, especially where a trade union is in danger of being destroyed; and
- where the effect of the dispute has wide ranging implications for the entire trade union movement, either nationally or internationally.

In many cases, the trade union concerned will be in a desperate situation. To the extent possible, emergencies should be avoided or anticipated. It is obvious that there are some situations where it is not possible to prepare properly. But, in many others, positive action before a crisis or dispute can make a big difference. Even in very serious situations where there is the possibility of having a campaign, there may be an opportunity to really get the attention of the company and, ultimately, change its

behaviour by acting quickly before the dispute escalates. This has been done in the past, for instance by showing a company some damning evidence (such as video footage of abuses) prior to going public with the information.

Not all international campaigns are global. They can involve only two or three countries, or a region. Nor do all campaigns have to be elaborate. Some highly effective campaigns have involved only a moderate commitment of time and resources, particularly when international trade union links are stronger, and solidarity is more integrated into normal trade union activity. Under these circumstances, it is possible to get better results with a wide range of often limited campaigns and other strategic activities. On occasions, something as simple as a statement from a foreign union to the parent company or to another company connected with that company can have a positive impact. It can help communicate that there is a problem, which may in itself help make things easier. It is likely, at least, to provoke some kind of response from the company.

How to campaign

No two campaigns are the same and it is not possible to provide a recipe for international campaigning. The ICFTU and the GUFs have in recent years examined various international campaigns with a view to drawing conclusions about the lessons learned. It is clear that co-operation, planning and preparation as well as communication are critical elements in any campaign. Follow-up and evaluation should also be considered as necessary elements in any campaign.

PLAY FAIR AT THE OLYMPICS

In early 2004, Global Unions, Oxfam and the Clean Clothes Campaign joined forces to launch a campaign entitled “Play Fair at the Olympics”, highlighting the abusive and exploitative conditions endured by workers in the supply chains of sportswear companies, in the run up to the Olympic games in Athens in 2004. The ICFTU and the ITGLWF were the Global Union partners that were most involved in the work.

The campaign saw active participation from national trade union organisations, which joined forces with national Oxfam affiliates, and members of the Clean Clothes Campaign network. Trade unions involved included, among several others, the British TUC, the Dutch FNV, the UGT and CC.OO. in Spain, HMS and INTUC in India, HKCTU in Hong Kong, and the ACTU in Australia.

The official start of the campaign was on March 4th, with the release of the campaign report. In the report, the abusive labour practices of the global sportswear industry were exposed. The document centres on the fact that corporate profits are created at the expense of the dignity and health and safety of the women and men who produce the goods. The report draws on the testimony of workers and factory managers in Bulgaria, Cambodia, Thailand, China, Indonesia, and Turkey, giving evidence of factories routinely falsifying records in order to pass inspection. The report also tells the story of workers enduring abusive and exploitative working conditions and shows that they are often sacked for joining a union. The full report and details of many campaign related events can be found at the following address: <http://www.fairolympics.org>.

The website also contained downloadable campaign materials and a regular monthly bulletin for supporters.

The campaign was launched simultaneously in at least 25 countries and received global TV, radio, and newspaper coverage. By July, more than 300,000 campaign actions had already been taken, primarily e-mails and letters to the main targets of the campaign, including Puma, Fila, Asics, Mizuno, Lotto, Umbro, Kappa, and the International Olympic Committee (IOC). Companies were called upon to work with the campaign allies to develop a more credible approach to tackling abuses endemic in the industry. The IOC was asked to use its influential position with regard to sports companies, in the field of licensing and sponsorship, to get the sportswear industry to guarantee respect for workers' rights.

The campaign called for sportswear companies to join with appropriate trade union organisations and NGOs in developing an industry wide programme including a sectoral framework agreement signed with the ITGLWF. It also called for the prioritisation of activities that promote freedom of association, collective bargaining, and credible worker representation; a substantial increase in worker training and exchange programmes; development of standards for "Ethical Purchasing Practices" and redirecting and improving the existing mechanisms to be more inclusive of workers.

Securing co-operation

Campaigning is not a solitary activity. One objective of any campaign is to secure allies who can help you achieve your objectives. This is usually best done well before the campaign is launched. At the very least, international campaigns will require some kind of cooperation from organisations in other countries.

In planning and carrying out a campaign, it is important to establish the respective responsibilities of co-operating organisations and of individuals within those organisations. One important responsibility is to keep track of all aspects of the campaign, from its initiation until the end. In some cases, this responsibility may be largely in the hands of the trade union directly involved in a dispute. In others, it will be the GUF that carries the primary responsibility for leading the international campaign, generating the necessary solidarity in other countries. There may be involvement of national trade union centres as well as individual unions. In those cases where the responsibilities are combined, there needs to be a way of pulling together and holding together all of the participants. A disorganised, uncoordinated campaign is likely to be frustrating and unproductive. It is often helpful if all participating organisations name individuals with clearly established responsibilities, to serve as contact points. E-mail mailing lists and telephone conferences can also help ensure coordination and a good information flow.

Another means of securing co-operation in larger campaigns is to organise regional or national level preparatory meetings or seminars. In some international campaigns, international meetings can also be very useful.

Planning and preparation

Planning an international campaign and including identifying potential pressure points, should be done, as much as possible, from the very beginning. It is to the advantage of all solidarity partners for international campaigns to be organised well in advance. A timeline for the campaign should be prepared showing the envisioned stages of the campaign and be used for scheduling events and setting deadlines for the various tasks involved. The dates for any proposed activity should be set with adequate lead-time and some flexibility should be built into the timeframe. This planning

should reflect the international dimension. Therefore, calendars of participating organisations in other countries, as well as other important dates in other countries, such as holidays or religious observances, should be taken into account.

Other organisations should be given a chance to be included in the planning process, such as those trade unions representing workers who may be affected by the campaign.

The decision when or how to end a campaign is also of critical importance and should be considered in the planning stages of any campaign. Included in this decision is, of course, a clear definition of objectives so as to be able to measure success.

For some larger campaigns, it might be useful to draw up a specific campaign manual. It is important that members who are to take action know what they are being asked to do and also why they are doing it, so that they can participate fully and answer questions if necessary. Such a manual can provide all the necessary details on the campaign, but may also contain information of a more general nature, such as how to deal with the press or how to get political and other support for campaign objectives.

Communication

Both internal and external communication are central to effective campaigns. Internal communication includes regular follow-up communications and updates, in order to keep campaigners informed of developments. Good internal communication makes it possible to learn what is and what is not working so as to adjust the tactics and strategy accordingly. Moreover, trade unions carrying out activities will have better results if all partners, and particularly the GUFs, are fully informed of their activities. It is, for example, important to make sure that the international trade union organisations receive all coverage of the campaign in the national media.

Information technology is very useful for campaign communication. When available, e-mail and the web are powerful tools for spreading and exchanging information, since they make it relatively easy to reach a lot of people in a short space of time and at low cost.

External communication is one of the central elements of a campaign. What is needed are more than just good arguments - the arguments must be solid, inspiring and readily understandable. The communications strategy also needs to ensure that the messages reach the target audiences of the campaign.

Publicity is, of course, an essential element of almost all campaign communications. International campaigns should take into account the international dimension of publicity work. The media in different countries have differing needs, reflecting different cultures or markets. Generally, the key is to get people to identify with the campaign by relating it to their own experiences or values. The same can be said for the various materials such as fact sheets, brochures and leaflets, which need to be prepared for the campaign. So, while international trade union organisations can offer overall messaging, basic materials, valuable advice on media work and on material development for international campaigns, the key is often to encourage national trade union organisations to adapt campaign materials and press releases to their own specific national situations.

Trade unions engaged in company campaigns often find that, in many sectors, the global brand name is one of the most important corporate assets of an MNE. Tremendous advertising resources are spent promoting favourable associations with brand names and MNEs are able to use this public perception to charge premium prices. Because of this, companies are prepared to go to extraordinary lengths. They are using the most sophisticated public relations techniques to defend their brand name images. Trade unions will rarely be able to match the resources of a company's public relations department. Unions must rely instead on credibility and substantiated facts. Credibility, combined with effective trade union action, can overcome a company's public relations machine.

As mentioned above, the role of the national centre in campaigns should not be overlooked. As the manifestation of trade union solidarity in their respective countries, national centres are the organisations with the widest networks, the highest public profile, and therefore the most able to marshal the resources of the entire trade union movement to build public support for a cause. Even in countries where the role of trade unions in economic and political life is well established, campaigns are often the public face of trade unions. Campaign themes should therefore preferably be positive and not defensive.

Follow-up and evaluation

It is essential that participating organisations and allies are informed when a campaign is over. It is also important to acknowledge the contributions made by the various organisations.

It is useful, however, to go a step beyond that and attempt to analyse the campaign with a view towards drawing lessons that can be applied to future campaigns or international solidarity. Involving international trade union organisations in this process is a good way to ensure that the lessons learned will be available to others when the need arises.

BURMA CAMPAIGN

A campaign that has elements of all of the above is the Global Unions campaign for the full respect of human and workers' rights in Burma.

As part of that campaign, the Global Unions group has undertaken actions at many different levels. At the intergovernmental level, the work focused on the ILO. The efforts of Global Unions led to the adoption of a resolution in 2000, which recommended that UN bodies, states, and private companies re-examine their relations with Burma to ensure that they are not unwittingly encouraging the use of forced labour. It was the first time in the history of the ILO that such an action was taken by the organisation. Another example of action at the intergovernmental level is in Europe, where Burma's preferential trade arrangements with the EU were suspended.

Much also happened at the enterprise level, mainly through the creation of a database of companies linked to Burma and by applying pressure on these companies. Most of the GUFs have taken an active part in this campaign. Two examples of GUF actions which have helped to extend the list of companies that have pulled out of Burma:

- The IUF was instrumental in convincing Accor to halt its operations in Burma in 2002. It also had a large role in the decision by BAT to pull out of Burma, a year later. As there are not many large multinational enterprises left in Burma that have sizeable investments there, both these withdrawals were very important.

- The ITF is (at the time of writing) still continuing its work to convince Austrian Airlines to terminate its air services to Burma. Austrian Airlines (through its subsidiary Lauda Air) is the only airline company with intercontinental flights to Burma. The FNV in the Netherlands has also been particularly active in this campaign, including through the distribution of tens of thousands of action postcards addressing Austrian Airlines/Lauda Air.

APPENDIX I

THE GLOBAL UNION FEDERATIONS

EI (page 127) - ICEM (page 128) - IFBWW (page 129) - IFJ (page 131) - IMF (page 133) - ITF (page 134) - ITGLWF (page 135) - IUF (page 137) - PSI (page 139) - UNI (page 142)

EI - EDUCATION INTERNATIONAL

<u>Represents workers in:</u>	educators, teachers, lecturers and other employees in education
<u>Established:</u>	1993
<u>Affiliation:</u>	345 affiliates in 165 countries with a total membership of 29 million (2004)
<u>General Secretary:</u>	Fred Van Leeuwen
<u>Address:</u>	Boulevard Albert II, 5, 1210 Brussels
<u>Country:</u>	Belgium
<u>Telephone:</u>	++32-2-2240611
<u>Fax:</u>	++32-2-2240606
<u>E-mail:</u>	headoffice@ei-ie.org
<u>Web-site:</u>	http://www.ei-ie.org

Regional organisations

Africa:

Lomé: regional office for Africa
PO Box 14058, Lomé, TOGO
Tel: ++228-21.28.41
Fax: ++228-21.28.48
E-mail: ei-africa@ei-africa.org

Americas:

San José: regional office for Latin America
Apartado postal 1867-2050, San Pedro, COSTA RICA
Tel: ++506-2-80.96.67 or 96.25
Fax: ++506-2-83.73.78
E-mail: america.latina@ei-ie.cr.org

St. Lucia: regional office for North America and the Caribbean
PO Box BB 16, Babonneau, Castries, St. Lucia, ST. LUCIA
Tel: ++1-758-450.52.47
Fax: ++1-758-450.67.48
E-mail: albertv@candw.lc

Asia:

Kuala Lumpur: regional office for Asia and the Pacific
No. 53-B, Jalan Telawi Tiga, Bangsar Baru, 59100 Kuala Lumpur, MALAYSIA
Tel: ++60-3-22.84.21.40 or 21.42
Fax: ++60-3-284.73.95
E-mail: ejap@eduint.com.my

Suva: regional office
 C/o COPE, PO Box 2592, Government Buildings, Suva, FIJI
 Tel: ++679-331.56.64 or 35.31
 Fax: ++679-330.59.45
 E-mail: cope@connect.com.fj
 Web site: <http://www.copepacific.org>

ICEM - INTERNATIONAL FEDERATION OF CHEMICAL, ENERGY, MINE AND GENERAL WORKERS' UNION

Represents workers in: energy sector, electricity sector, chemical industries, rubber and plastics industry, diamonds, gems, ornaments and jewellery production, ceramics industry, paper and cellulose production, glass industry, cement industry, environmental protection industries, coal mining, mineral mining and stone and sand production

Established: 1995

Affiliation: 400 affiliates in 120 countries with a total membership of about 20 million (2004)

General Secretary: Fred Higgs

Address: Avenue Emile de Beco 109, 1050 Brussels Belgium

Country: Belgium

Telephone: ++32-2-626.20.20

Fax: ++32-2-648.43.16

E-mail: icem@icem.org

Web-site: <http://www.icem.org>

Regional organisations:

Africa:

Johannesburg: ICEM Africa
 PO Box 31497, Braamfontein, Johannesburg 2017, SOUTH AFRICA
 Tel: ++27-11-377.2069
 Fax: ++27-11-833.2986
 E-mail: fnkomo@yahoo.com

Americas:

Rio De Janeiro: ICEM Brazil
 Rua Visconde de Inhauma 134, 7º Andar – sala 715, Centro Rio De Janeiro, Codige Postal 20094-900, BRAZIL
 Tel: ++55-21-25.18.50.59
 Fax: ++55-21-25.18.50.59
 E-mail: icembr@uol.com.br

Washington: ICEM NA
 C/o United Steelworkers of America, 1150, 17th Street N.W., Suite 300, Washington, D.C. 20036, USA
 Tel: ++1-202-778.43.84
 Fax: ++1-202-293.53.08

Asia:

Seoul: ICEM - Asia

401, Hansong Building, 207-1, Bangi Dong, Songpa-Ku, Post Code: 138-050, Seoul,
REPUBLIC OF KOREA

Tel: ++82-2-22.34.18.84 or 85

Fax: ++82-2-22.34.18.86

E-mail: icemasia@kornet.net

Eastern Europe:

Moscow: ICEM - Russia

Autozavodskaya 6-9 a, Moscow 109280, RUSSIA

Tel: ++7-095-291.68.83

Fax: ++7-095-291.68.83

E-mail: icemmoscow@yandex.ru

IFBWW - INTERNATIONAL FEDERATION OF BUILDING AND WOOD WORKERS

<u>Represents workers in:</u>	construction industry, timber industry, forestry and allied sectors
<u>Established:</u>	1934
<u>Affiliation:</u>	281 affiliates in 125 countries with a total membership of 10.5 million (2004)
<u>General Secretary:</u>	Anita Normark
<u>Address:</u>	54, Route des Acacias, PO Box 1412, CH-1227 Carouge GE
<u>Country:</u>	Switzerland
<u>Telephone:</u>	++41-22-827 37 77
<u>Fax:</u>	++41-22-827 37 70
<u>E-mail:</u>	info@ifbww.org
<u>Web-site:</u>	http://www.ifbww.org

Regional organisations:**Africa:**

Braamfontein: IFBWW Southern Africa Project Office

P.O. Box 30772, Braamfontein, 2017, SOUTH AFRICA

Tel: ++27-11-339.44.17

Fax: ++27-11-341.07.50

Mobile: ++27-82-326.88.47

E-mail: mofokeng@lantic.net

Ouagadougou: West Africa Education Office - Bureau d'éducation ouvrière FITBB

01 Boîte postale 1519, Ouagadougou 01, BURKINA FASO

Tel: ++226-30.32.53

Mobile: ++226-25.30.16

Fax: ++226-30.32.53

E-mail: zeende@fasonet.bf

Accra: IFBWW Ghana Project Office
 PO Box OS 2883, OSU, Accra, GHANA
 Tel: ++233-21-78.46.91
 Mobile: ++233-208-16.52.10
 Fax: ++233-21-78.46.90
 E-mail: sarahifbww@yahoo.com

Sunyani: IFBWW Forestry Project Office
 PO Box 2401, Sunyani, Brong Ahato region, GHANA
 Mobile: ++233-24-28.06.01
 Fax: ++233-61-243.92
 E-mail: jakuwt@yahoo.com

Nairobi: IFBWW Forestry project office
 C/o Elangata Wuas Ecosystem Management Programme
 Herbarium Building, National Museums of Kenya, PO Box 40658, Nairobi, KENYA
 Tel: ++254-20-375.13.19
 Mobile: ++254-722-72.66.90
 Fax: ++254-20-375.13.19
 E-mail: psopanga@yahoo.com

Americas:

Panama: regional office FITCM
 Vía Fernandez de Córdoba, Vista Hermosa, local No. 25, Planta Alta, Apartado 4518,
 Panama 5, PANAMA
 Tel: ++507-229.29.52 or 229.18.68
 Fax: ++507-229.18.96
 E-mail: orl@cableonda.net

Buenos Aires: IFBWW Project Office – Oficina de proyecto de la FITCM
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Brasil: Eduardo Magalhaes Rodrigues, Coordinador de proyecto, Project Coordinator
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Asia:

Subang Jaya: IFBWW regional office
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 Fax: ++60-3-56.38.77.21
 E-mail: ifbww@tm.net.my

Melbourne: IFBWW sub-regional office for the Pacific
 1st Floor, 500 Swanston Street, Carlton, Victoria 3053, Melbourne, AUSTRALIA
 Tel: ++61-3-93.47.10.29
 Fax: ++61-3-93.49.25.80
 E-mail: sarah@co31.aone.net.au

New Delhi: IFBWW South Asia Project Office
 A-364, 1st Floor, Defence Colony, New Delhi 110024, INDIA
 Tel: ++91-11-24.33.22.95 or ++91-11-51.55.06.70
 Fax: ++91-11-24.33.18.11
 E-mail: ifbwwsro@vsnl.net

Europe:

Geneva: International Federation of Building and Wood Workers (IFBWW / FITBB)
54 route des Acacias, CH-1227 Carouge GE, SWITZERLAND
Tel.: ++41-22-827.37.75
E-mail: marion.hellmann@ifbww.org

Brussels: European Federation of Building and Wood Workers (EFBH/FETBB)
Rue Royale 45, 1000 Brussels, BELGIUM
Tel.: ++32-2-227.10.40
Fax +32-2-21.98.228
E-mail: info@efbh.be

Stockholm: Nordic Federation of Building and Wood Workers (NBTF)
S-106 32 Stockholm, SWEDEN
Tel.: ++46-8-728.48.14 / 6
Fax: ++46-8-728.48.97
E-mail: Nbtf@byggnaads.se

Sofia: South East Europe Project Office
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Tel.: ++359-2-986.32.56
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Colombia Center, Bloc B, 4th Floor, Ahmed Takieddine Street, 2048-1035, Mazraa,
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Fax: ++961-1-70.07.57
E-mail: msaid_ifbww@terra.net.lb

IFJ - INTERNATIONAL FEDERATION OF JOURNALISTS

<u>Represents workers in:</u>	Print media, broadcasting, film and television, news agencies, press offices, public-relations agencies and new electronic media. Members must be full-time journalists.
<u>Established:</u>	1952
<u>Affiliation:</u>	affiliates in over 100 countries with a total membership of about 500,000 (2004)
<u>General Secretary:</u>	Aidan White
<u>Address:</u>	IPC Résidence Palace - Bloc C, Rue de la Loi 155, 1040 Brussels
<u>Country:</u>	Belgium
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<u>Fax:</u>	++32-2-235.22.19
<u>E-mail:</u>	ifj@ifj.org
<u>Web-site:</u>	http://www.ifj.org

Regional organisations:**Africa:**

Dakar: IFJ Office

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Tel: ++221-842.01.41

Fax: ++221-842.02.69

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Web site: <http://www.ifjafrique.org>

Americas:

Caracas: regional office for Latin America

C/o SNTP, Casa Nacional de Periodistas

Oficina 3, piso 2, Ala "B", Avda. Andres Bello, entre Las Palmas y La Salle, Caracas, VENEZUELA

Tel: ++58-2-793.19.96

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Asia:

Redfern: Asia-Pacific regional office - project activities

C/o Media and Entertainment Arts Alliance

245 Chalmers Street, Redfern 2016, AUSTRALIA

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Fax: ++61-2-93.33.09.33

E-mail: ifj-asia@alliance.org.au

Website: <http://www.ifj-asia.org>

Tokyo: IFJ Tokyo Office

Itoh Building 203, Kudan Minami 4-2-12, Chiyoda-ku, Tokyo, T102-0074 JAPAN

Tel: ++81-3-32.39.40.55

Fax: ++81-3-32.39.40.55

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Europe:

Brussels: European Federation of Journalists (EFJ)

International Press Center, Residence Palace, 155 Rue de la Loi, 1040 Brussels, BELGIUM

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Fax: ++32-2-235.22.19

E-mail: renate.schroeder@ifj.org

IMF - INTERNATIONAL METALWORKERS' FEDERATION

<u>Represents workers in:</u>	production workers and salaried employees in the automobile industry, aviation and aerospace industry, electrical engineering and electronics, mechanical engineering, shipbuilding, iron and steel production, non-ferrous metals as well as metal-processing industry
<u>Established:</u>	1904 (1893)
<u>Affiliation:</u>	Over 200 affiliates in 100 countries with a total membership of 25 million (2004)
<u>General Secretary:</u>	Marcello Malentacchi
<u>Address:</u>	54 bis, route des Acacias, Case Postale 1516, 1227 Geneva
<u>Country:</u>	Switzerland
<u>Telephone:</u>	++41-22-308.50.50
<u>Fax:</u>	++41-22-308.50.55
<u>E-mail:</u>	info@imfmetal.org
<u>Web-site:</u>	http://www.imfmetal.ch

Regional offices:

Africa:

Johannesburg: regional office for East and Southern Africa
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E-mail: lacro@imfmetal.org

México: México Office

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Asia and the Pacific:

Kuala Lumpur: regional office for South East Asia and the Pacific
No. 10-3, Jalan PJS 8/4, Dataran Mentari, Bandar Sunway, 46150 Petaling Jaya, Selangor Darul Ehsan, MALAYSIA
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Fax: ++60-3-73.87.902
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New Delhi: regional office for South Asia
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 110 049, INDIA
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 Tel: ++7-095-974.61.11
 Fax: ++7-095-974.16.22
 E-mail: pocis@imfmetal.org

ITF - INTERNATIONAL TRANSPORT WORKERS' FEDERATION

<u>Represents workers in:</u>	transport industry
<u>Established:</u>	1896
<u>Affiliation:</u>	621 affiliates in 137 countries with a total membership of about 5 million (2004)
<u>General Secretary:</u>	David Cockroft
<u>Internal divisions:</u>	railways, road transport, inland waterways, docks, seafaring, fishery, civil and tourism services
<u>Address:</u>	49-60 Borough Road, London SE1 1DS
<u>Country:</u>	Great-Britain
<u>Telephone:</u>	++44-20-74.03.27.33
<u>Fax:</u>	++44-20-73.57.78.71
<u>E-mail:</u>	mail@itf.org.uk
<u>Web-site:</u>	http://www.itf.org.uk

Regional organisations:

Africa:

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 PO Box 66540, Westlands, Nairobi, KENYA
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 Fax: ++254-20-44.80.20
 E-mail: itf@nbnet.co.ke

Ouagadougou: African Francophone office
 1450, Avenue Kwame Nkrumah, 10 BP 13499, Ouagadougou 10, BURKINA FASO
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 E-mail: itfwak@fasonet.bf

Americas:

Rio de Janeiro: ITF Inter-American Office
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 Fax: ++55-21-22.83.03.14
 E-mail: rio@itf.org.uk
 Web site: <http://www.itf-americas.org.br>

Georgetown: ITF Caribbean sub-regional office
 198 Camp Street, S Cummingsburg, Georgetown, GUYANA
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 Web site: <http://www.itf.ru>

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 Web site: www.itf.org.uk/etf

ITGLWF - INTERNATIONAL TEXTILE, GARMENT AND LEATHER WORKERS' FEDERATION

<u>Represents workers in:</u>	textile, garment and leather sector
<u>Established:</u>	1960
<u>Affiliation:</u>	216 affiliates in 106 countries with a total membership of over 10 million (2004)
<u>General Secretary:</u>	Neil Kearney
<u>Address:</u>	Rue Joseph Stevens 8 (b ^o ite 4), 1000 Brussels
<u>Country:</u>	Belgium
<u>Telephone:</u>	++32-2-512.26.06 or 512.28.33
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<u>Web-site:</u>	http://www.itglwf.org/default.asp

Regional organisations:**Africa:**

Dalbridge: African Regional Consultative Committee - Anglophone Africa Sub-Committee

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Fax: ++27-31-201.03.23

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Dakar: African Regional Consultative Committee - francophone Africa sub-committee
P/a Syndicat des Travailleurs des Industries du Textile et de l'Habillement du Senegal - CNTS

S/c Sotiba Simpafric, BP 527, Dakar, SENEGAL

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Fax: ++221-834.43.12 (Sotiba) 842.50.90 (via CNTS)

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Europe:

Brussels: ERO

Rue J. Stevens 8, 1000 Brussels, BELGIUM

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Fax: ++32-2-511.81.54

E-mail: fse.thc@skynet.be

IUF - INTERNATIONAL UNION OF FOOD, AGRICULTURAL, HOTEL, RESTAURANT, CATERING, TOBACCO AND ALLIED WORKERS' ASSOCIATION

<u>Represents workers in:</u>	food and drink sector, hotel, restaurant, catering and tourism services, agriculture and plantation farming and tobacco processing
<u>Established:</u>	1920
<u>Affiliation:</u>	336 affiliates in 120 countries with a total membership of over 12 million (2004)
<u>General Secretary:</u>	Ron Oswald
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<u>Country:</u>	Switzerland
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<u>Fax:</u>	++41-22-793.22.38
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<u>Web-site:</u>	http://www.iuf.org

Regional organisations:

Africa:

Johannesburg: IUF Regional Secretariat for Africa
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Web site: <http://www.rel-uita.org>

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E-mail: asia@iuf.org
Web site: <http://www.asianfoodworker.net>

Ahmedabad: IUF Asia and Pacific, South Asia Education Office
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INDIA

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Karachi: IUF Asia-Pacific Pakistan Outreach Office
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Haymarket: IUF Australian Consultative Committee (IUF-ACC):
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Tokyo: IUF Japan Co-ordinating Council (IUF-JCC)
Sanei Building (Annex 2F), 17-11, 2-Chome, Kyobashi, Chuo-ku, Tokyo 104, JAPAN

Tel: ++81-3-52.50.03.75/6

Fax: ++81-3-52.50.03.74

E-mail: iuf-jcc@iuf.org

Caribbean:

Bridgetown: UIF Regional Secretariat for Caribbean
C/o Barbados Workers Union, "Solidarity House", Harmony Hall, St-Michel, PO Box
172, Bridgetown, BARBADOS

Tel/Fax: ++1-246-436.70.20

E-mail: bwu@caribsurf.com (Att.: LeVere Richards)

Europe:

Brussels: EFFAT ((IUF) European Federation of Trade Unions in the Food, Agriculture
and Tourism sectors and allied branches)

38 Rue Fossé-aux-Loups, Boîte No.3, 1000 Brussels, BELGIUM

Tel: ++32-2-218.77.30

Fax: ++32-2-218.30.18

E-mail: effat@effat.org

Web site: www.effat.org

Budapest: Central Europe Coordination Office IUF-EFFAT
 C/o EDOSZ, Városligeti Fásor 44, 1068 Budapest, HUNGARY
 Tel: ++ 36-20-330.56.65 or ++ 36-1-413.21.12
 Fax: ++ 36-1-413.18.31
 E-mail: ildiko_kren@edosz.hu
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Zagreb: ICEM/IUF Education Project Southern and Eastern Europe
 Trg kralja Petra Kresimira, IV br. 2, 10 000 Zagreb, CROATIA
 Tel: ++385-1-465.57.11
 Fax: ++385-1-465.57.11
 E-mail: sindik@inet.hr

Vilnius: Baltic Co-ordination Office
 C/o Lithuanian Trade Union of Food Producers, J. Jasinskio 9, 2600 Vilnius, LITHUANIA
 Tel: ++370-52.49.60.83
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 E-mail: danute.slionskiene@lpsk.lt

Moscow: Eastern Europe and Central Asia Office (Moscow)
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 E-mail: iufmoscow@iuf.org
 Web site: <http://www.iuf.ru>

PSI - PUBLIC SERVICES INTERNATIONAL

Represents workers in:

employees in public administrations, enterprises and institutions of regional authorities, public corporations, foundations, public institutions; in companies generating and distributing gas, electricity and water, of waste management; in the environmental, social and health sector; in public educational, cultural and leisure-time facilities as well as other public institutions, administrations and companies delivering public services; employees in international institutions which have been established by states or communities of states. Teachers and employees of nationally operated postal and railway services are explicitly excluded.

Established:

1907

Affiliation:

Over 600 affiliates in more than 140 countries with a total membership of 20 million (2004)

General Secretary:

Hans Engelberts

Address:

BP 9, 01211 Ferney-Voltaire Cedex

Country:

France

Telephone:

++33-450.40.64.64

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++33-450.40.73.20

E-mail:

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Web-site:

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Lomé: regional office for Africa and Arab Countries
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Braamfontein: sub-regional office for Southern Africa
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 Yachoui Center - 6th Floor, LB Jal El Dib, LEBANON
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 Fax: ++961-9-91.35.67
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Americas:

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 E-mail: ispconosur@manquehue.net

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Europe:

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UNI – UNION NETWORK INTERNATIONAL

UNI is the result of the merger on January 1st 2000 of CI (Communications International), FIET (International Federation of Commercial, Clerical, Professional and Technical Employees), IGF (International Graphical Federation) and MEI (Media and Entertainment International)

Represents workers in:

Advertising and Public Relations; Arts; Audio Recording; Audio-visual Activities and Laboratories; Cable; Cinema, Distribution and Exhibition; Clerical; Commerce; Cultural Institutions; Electricity; Electronic Publishing; Engineers, Research, Scientific and Technical; Entertainment; Exhibitions; Film Production; Finance; Graphical; Hair and Beauty Care; Home-based and Distance Workers; Industry, Business and Information Technology Services; Insurance; Mass Media; Multimedia; Packaging; Paper Converting; Postal; Private Health Care; Professional & Managerial; Property Services; Publishing; Radio; Radio Communications; Social Insurance; Sports; Telephone; Television; Theatre; Tourism; Transmission and Processing of Messages; Voluntary and Non-Profit-Making Organisations.

Established:

2000

Affiliation:

900 affiliates in 140 countries with a total membership of about 15 million (2004)

General Secretary:

Philip Jennings

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Country:

Switzerland

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Internal divisions: UNI is divided into 12 sectors: UNI Commerce; UNI Electricity; UNI Finance; UNI Graphical; UNI Hair & Beauty; UNI IBITS (white collar, professional, and IT staff); UNI Media, Entertainment & Arts; UNI Postal; UNI Property Services; UNI Social Insurance & Private Health Care; UNI Telecommunications; UNI Tourism.

Regional organisations:

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APPENDIX II

OTHER INTERNATIONAL TRADE UNION ORGANISATIONS + ILO

ICFTU (page 145) - TUAC (page 147) - ETUC (page 148) - WCL (page 148) - ILO (page 148)

ICFTU - INTERNATIONAL CONFEDERATION OF FREE TRADE UNIONS

<u>Represents workers in:</u>	all affiliated free labour organisations, for the most part national trade union centres
<u>Established:</u>	1949
<u>Affiliation:</u>	234 affiliates in 152 countries with a total membership of 148 million (2004)
<u>General Secretary:</u>	Guy Ryder
<u>Address:</u>	Boulevard du Roi Albert II, 5, 1210 Brussels
<u>Country:</u>	Belgium
<u>Telephone:</u>	++32-2-224.02.11
<u>Fax:</u>	++32-2-201.58.15
<u>E-mail:</u>	internetpo@icftu.org
<u>Web-site:</u>	http://www.icftu.org

Regional organisations:

Americas:

Caracas: ORIT (Organización Regional Interamericana de Trabajadores)
Regional office for North and South America
Avda. Andrés Eloy Blanco (Este 2), Edificio José Vargas, Piso 15, Los Caobas,
Caracas, VENEZUELA
Tel: ++58-212-578.35.38 or 578.10.92 or 578.27.80
Fax: ++58-212-578.17.02
E-mail: sedeorit@cioslorit.org
Web site: <http://www.ciosl-orit.org>

Africa:

Nairobi: AFRO (African Regional Organisation)
Kenya Re Towers - 4th Floor, Upper Hill, Off Ragati Road, P.O. Box 67273, Nairobi,
KENYA
Tel: ++254-20-24.43.36
Fax: ++254-20-21.50.72
E-mail: info@icftuafro.org
Web site: <http://www.icftuafro.org>

Asia:

Singapore: APRO (Asian and Pacific Regional Organisation)
 9th Floor, NTUC Centre, One Marina Boulevard, Singapore 018989, SINGAPORE
 Tel: ++65-63.27.35.90
 Fax: ++65-63.27.35.76
 E-mail: gs@icftu-apro.org
 Web site: <http://www.icftu-apro.org>

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 19/F Wing Wong Commercial Bldg., 557-559 Nathan Road, Kowloon, HONG KONG
 Tel.: ++852-27.70.86.68
 Fax: ++852-27.70.73.88
 E-mail: ihlo@hkctu.org.hk
 Web site: <http://www.ihlo.org>

Auckland: ICFTU/APRO South Pacific & Oceanic Council of Trade Unions
 (SPOCTU work is followed up by Mike Ingpen, South Pacific educator/coordinator)
 P.a. NZCTU, 3rd Floor, PSA House, 11 Aurora Terrace, Wellington, NEW ZEALAND
 Tel: ++64-4-917.03.33
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 8A/80 1st. Floor W.E.A. Karol Bagh, New Delhi 110 005, INDIA
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Leninsky Prospect 42 (FNPR), 117119 Moscow, RUSSIA
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Fax: ++387-33-238.976 or ++387-33-238.983/4
E-mail: icftubux@bih.net.ba

Zagreb: ICFTU CEE Gender Project
C/o UATUC, Kresimirov trg. 2, 10000 Zagreb, CROATIA
Tel.: ++385-1-465.50.13
Fax: ++385-1-465.50.40
E-mail: jasna.petrovic1@sssh.hr

TUAC - TRADE UNION ADVISORY COMMITTEE TO THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)

(The 30 member countries of the OECD are: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Spain, Slovakia, Sweden, Switzerland, Turkey, United Kingdom and the United States)

<u>Represents workers in:</u>	affiliated national trade union centres in OECD countries
<u>Established:</u>	1948
<u>Affiliation:</u>	56 affiliates in 30 countries with a total membership of 66 million (2004)
<u>General Secretary:</u>	John Evans
<u>Address:</u>	26 Avenue de la Grande-Armée, 75017 Paris
<u>Country:</u>	France
<u>Telephone:</u>	++33-1-55.37.37.37
<u>Fax:</u>	++33-1-47.54.98.28
<u>E-mail:</u>	tuac@tuac.org
<u>Web-site:</u>	http://www.tuac.org

ETUC - EUROPEAN TRADE UNION CONFEDERATION

<u>Represents workers in:</u>	affiliated European national centres and European industry federations
<u>Established:</u>	1973
<u>Affiliation:</u>	77 confederations in 35 countries, 11 industry federations, total membership of 60 million (2004)
<u>General Secretary:</u>	John Monks
<u>Address:</u>	Boulevard du Roi Albert II, 5, 1210 Brussels
<u>Country:</u>	Belgium
<u>Telephone:</u>	++32-2-224.04.11
<u>Fax:</u>	++32-2-224.04.54 or 55
<u>E-mail:</u>	etuc@etuc.org
<u>Web-site:</u>	http://www.etuc.org

WCL – WORLD CONFEDERATION OF LABOUR

<u>Represents workers in:</u>	affiliated autonomous and democratic trade unions
<u>Established:</u>	1920
<u>Affiliation:</u>	144 affiliates in 116 countries with a total membership of 30 million (2001)
<u>General Secretary:</u>	Willy Thys
<u>Address:</u>	33 Rue de Trèves, 1040 Brussels
<u>Country:</u>	Belgium
<u>Telephone:</u>	++32-2-285.47.28
<u>Fax:</u>	++32-2-230.87.22
<u>E-mail:</u>	info@cmt-wcl.org
<u>Web-site:</u>	http://www.cmt-wcl.org

ILO - INTERNATIONAL LABOUR ORGANISATION

<u>Established:</u>	1919
<u>Director-General:</u>	Juan Somavia
<u>Address:</u>	Route des Morillons 4, 1211 Geneva 22
<u>Country:</u>	Switzerland
<u>Telephone:</u>	++41-22-799.61.11
<u>Fax:</u>	++41-22-798.86.85
<u>E-mail:</u>	ilo@ilo.org
<u>Web-site:</u>	http://www.ilo.org

APPENDIX III

THE ILO DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK + THE FUNDAMENTAL ILO CONVENTIONS (MAIN ARTICLES)

THE ILO DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK

Whereas the ILO was founded in the conviction that social justice is essential to universal and lasting peace;

Whereas economic growth is essential but not sufficient to ensure equity, social progress and the eradication of poverty, confirming the need for the ILO to promote strong social policies, justice and democratic institutions;

Whereas the ILO should, now more than ever, draw upon all its standard-setting, technical co-operation and research resources in all its areas of competence, in particular employment, vocational training and working conditions, to ensure that, in the context of a global strategy for economic and social development, economic and social policies are mutually reinforcing components in order to create broad-based sustainable development;

Whereas the ILO should give special attention to the problems of persons with special social needs, particularly the unemployed and migrant workers, and mobilise and encourage international, regional and national efforts aimed at resolving their problems, and promote effective policies aimed at job creation;

Whereas, in seeking to maintain the link between social progress and economic growth, the guarantee of fundamental principles and rights at work is of particular significance in that it enables the persons concerned to claim freely and on the basis of equality of opportunity their fair share of the wealth which they have helped to generate, and to achieve fully their human potential;

Whereas the ILO is the constitutionally mandated international organisation and the competent body to set and deal with international labour standards, and enjoys universal support and acknowledgement in promoting fundamental rights at work as the expression of its constitutional principles;

Whereas it is urgent, in a situation of growing economic interdependence, to reaffirm the immutable nature of the fundamental principles and rights embodied in the Constitution of the Organisation and to promote their universal application;

The International Labour Conference,

1. Recalls:

- (a) that in freely joining the ILO, all Members have endorsed the principles and rights set out in its Constitution and in the Declaration of Philadelphia, and have undertaken to work towards attaining the overall objectives of the Organisation to the best of their resources and fully in line with their specific circumstances;
- (b) that these principles and rights have been expressed and developed in the form of specific rights and obligations in Conventions recognised as fundamental both inside and outside the Organisation.

2. Declares that all Members, even if they have not ratified the Conventions in question, have an obligation arising from the very fact of membership in the Organisation, to respect, to promote and to realise, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions, namely:

- (a) freedom of association and the effective recognition of the right to collective bargaining;
- (b) the elimination of all forms of forced or compulsory labour;
- (c) the effective abolition of child labour; and
- (d) the elimination of discrimination in respect of employment and occupation.

3. Recognises the obligation on the Organisation to assist its Members, in response to their established and expressed needs, in order to attain these objectives by making full use of its constitutional, operational and budgetary resources, including by the mobilisation of external resources and support, as well as by encouraging other international organisations with which the ILO has established relations, pursuant to article 12 of its Constitution, to support these efforts:

- (a) by offering technical co-operation and advisory services to promote the ratification and implementation of the fundamental Conventions;
- (b) by assisting those Members not yet in a position to ratify some or all of these Conventions in their efforts to respect, to promote and to realise the principles concerning fundamental rights which are the subject of those Conventions; and
- (c) by helping the Members in their efforts to create a climate for economic and social development.

4. Decides that, to give full effect to this Declaration, a promotional follow-up, which is meaningful and effective, shall be implemented in accordance with the measures specified in the annex hereto, which shall be considered as an integral part of this Declaration.

5. Stresses that labour standards should not be used for protectionist trade purposes, and that nothing in this Declaration and its follow-up shall be invoked or otherwise used for such purposes; in addition, the comparative advantage of any country should in no way be called into question by this Declaration and its follow-up.

ANNEX

Follow-up to the Declaration**I. Overall purpose**

1. The aim of the follow-up described below is to encourage the efforts made by the Members of the Organisation to promote the fundamental principles and rights enshrined in the Constitution of the ILO and the Declaration of Philadelphia and reaffirmed in this Declaration.
2. In line with this objective, which is of a strictly promotional nature, this follow-up will allow the identification of areas in which the assistance of the Organisation through its technical co-operation activities may prove useful to its Members to help them implement these fundamental principles and rights. It is not a substitute for the established supervisory mechanisms, nor shall it impede their functioning; consequently, specific situations within the purview of those mechanisms shall not be examined or re-examined within the framework of this follow-up.
3. The two aspects of this follow-up, described below, are based on existing procedures: the annual follow-up concerning non-ratified fundamental Conventions will entail merely some adaptation of the present modalities of application of article 19, paragraph 5(e) of the Constitution; and the global report will serve to obtain the best results from the procedures carried out pursuant to the Constitution.

II. Annual follow-up concerning non-ratified fundamental Conventions**A. Purpose and scope**

1. The purpose is to provide an opportunity to review each year, by means of simplified procedures to replace the four-year review introduced by the Governing Body in 1995, the efforts made in accordance with the Declaration by Members which have not yet ratified all the fundamental Conventions.
2. The follow-up will cover each year the four areas of fundamental principles and rights specified in the Declaration.

B. Modalities

1. The follow-up will be based on reports requested from Members under article 19, paragraph 5(e) of the Constitution. The report forms will be drawn up so as to obtain information from governments which have not ratified one or more of the fundamental Conventions, on any changes which may have taken place in their law and practice, taking due account of article 23 of the Constitution and established practice.
2. These reports, as compiled by the Office, will be reviewed by the Governing Body.
3. With a view to presenting an introduction to the reports thus compiled, drawing attention to any aspects which might call for a more in-depth discussion, the Office may call upon a group of experts appointed for this purpose by the Governing Body.
4. Adjustments to the Governing Body's existing procedures should be examined to allow Members which are not represented on the Governing Body to provide, in the most appropriate way, clarifications which might prove necessary or useful during Governing Body discussions to supplement the information contained in their reports.

III. Global report

A. Purpose and scope

1. The purpose of this report is to provide a dynamic global picture relating to each category of fundamental principles and rights noted during the preceding four-year period, and to serve as a basis for assessing the effectiveness of the assistance provided by the Organisation, and for determining priorities for the following period, in the form of action plans for technical co-operation designed in particular to mobilise the internal and external resources necessary to carry them out.
2. The report will cover, each year, one of the four categories of fundamental principles and rights in turn.

B. Modalities

1. The report will be drawn up under the responsibility of the Director-General on the basis of official information, or information gathered and assessed in accordance with established procedures. In the case of States which have not ratified the fundamental Conventions, it will be based in particular on the findings of the aforementioned annual follow-up. In the case of Members which have ratified the Conventions concerned, the report will be based in particular on reports as dealt with pursuant to article 22 of the Constitution.
2. This report will be submitted to the Conference for tripartite discussion as a report of the Director-General. The Conference may deal with this report separately from reports under article 12 of its Standing Orders, and may discuss it during a sitting devoted entirely to this report, or in any other appropriate way. It will then be for the Governing Body, at an early session, to draw conclusions from this discussion concerning the priorities and plans of action for technical co-operation to be implemented for the following four-year period.

IV. It is understood that:

1. Proposals shall be made for amendments to the Standing Orders of the Governing Body and the Conference which are required to implement the preceding provisions.
2. The Conference shall, in due course, review the operation of this follow-up in the light of the experience acquired to assess whether it has adequately fulfilled the overall purpose articulated in Part I.

THE FUNDAMENTAL ILO CONVENTIONS (MAIN ARTICLES)

CONVENTION NO. 87 CONVENTION CONCERNING FREEDOM OF ASSOCIATION AND PROTECTION OF THE RIGHT TO ORGANISE

The General Conference of the International Labour Organisation,

Having been convened at San Francisco by the Governing Body of the International Labour Office, and having met in its Thirty-first Session on 17 June 1948;

Having decided to adopt, in the form of a Convention, certain proposals concerning

freedom of association and protection of the right to organise, which is the seventh item on the agenda of the session;

Considering that the Preamble to the Constitution of the International Labour Organisation declares recognition of the principle of freedom of association to be a means of improving conditions of labour and of establishing peace;

Considering that the Declaration of Philadelphia reaffirms that freedom of expression and of association are essential to sustained progress;

Considering that the International Labour Conference, at its Thirtieth Session, unanimously adopted the principles which should form the basis for international regulation;

Considering that the General Assembly of the United Nations, at its Second Session, endorsed these principles and requested the International Labour Organisation to continue every effort in order that it may be possible to adopt one or several international Conventions;

adopts the ninth day of July of the year one thousand nine hundred and forty-eight, the following Convention, which may be cited as the Freedom of Association and Protection of the Right to Organise Convention, 1948:

Part I. Freedom of Association

Article 1

Each Member of the International Labour Organisation for which this Convention is in force undertakes to give effect to the following provisions.

Article 2

Workers and employers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organisation concerned, to join organisations of their own choosing without previous authorisation.

Article 3

1. Workers' and employers' organisations shall have the right to draw up their constitutions and rules, to elect their representatives in full freedom, to organise their administration and activities and to formulate their programmes.
2. The public authorities shall refrain from any interference which would restrict this right or impede the lawful exercise thereof.

Article 4

Workers' and employers' organisations shall not be liable to be dissolved or suspended by administrative authority.

Article 5

Workers' and employers' organisations shall have the right to establish and join federations and confederations and any such organisation, federation or confederation shall have the right to affiliate with international organisations of workers and employers.

Article 6

The provisions of Articles 2, 3 and 4 hereof apply to federations and confederations of workers' and employers' organisations.

Article 7

The acquisition of legal personality by workers' and employers' organisations, federations and confederations shall not be made subject to conditions of such a character as to restrict the application of the provisions of Articles 2, 3 and 4 hereof.

Article 8

1. In exercising the rights provided for in this Convention workers and employers and their respective organisations, like other persons or organised collectivities, shall respect the law of the land.
2. The law of the land shall not be such as to impair, nor shall it be so applied as to impair, the guarantees provided for in this Convention.

Article 9

1. The extent to which the guarantees provided for in this Convention shall apply to the armed forces and the police shall be determined by national laws or regulations.
2. In accordance with the principle set forth in paragraph 8 of article 19 of the Constitution of the International Labour Organisation the ratification of this Convention by any Member shall not be deemed to affect any existing law, award, custom or agreement in virtue of which members of the armed forces or the police enjoy any right guaranteed by this Convention.

Article 10

In this Convention the term organisation means any organisation of workers or of employers for furthering and defending the interests of workers or of employers.

Part II. Protection of the Right to Organise**Article 11**

Each Member of the International Labour Organisation for which this Convention is in force undertakes to take all necessary and appropriate measures to ensure that workers and employers may exercise freely the right to organise.

CONVENTION 98**CONVENTION CONCERNING THE APPLICATION OF THE PRINCIPLES OF THE RIGHT TO ORGANISE AND TO BARGAIN COLLECTIVELY**

The General Conference of the International Labour Organisation,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Thirty-second Session on 8 June 1949, and

Having decided upon the adoption of certain proposals concerning the application of the principles of the right to organise and to bargain collectively, which is the fourth item on the agenda of the session, and

Having determined that these proposals shall take the form of an international Convention,

adopts the first day of July of the year one thousand nine hundred and forty-nine, the

following Convention, which may be cited as the Right to Organise and Collective Bargaining Convention, 1949:

Article 1

1. Workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment.
2. Such protection shall apply more particularly in respect of acts calculated to
 - a) make the employment of a worker subject to the condition that he shall not join a union or shall relinquish trade union membership;
 - b) cause the dismissal of or otherwise prejudice a worker by reason of union membership or because of participation in union activities outside working hours or, with the consent of the employer, within working hours.

Article 2

1. Workers' and employers' organisations shall enjoy adequate protection against any acts of interference by each other or each other's agents or members in their establishment, functioning or administration.
2. In particular, acts which are designed to promote the establishment of workers' organisations under the domination of employers or employers' organisations, or to support workers' organisations by financial or other means, with the object of placing such organisations under the control of employers or employers' organisations, shall be deemed to constitute acts of interference within the meaning of this Article.

Article 3

Machinery appropriate to national conditions shall be established where necessary, for the purpose of ensuring respect for the right to organise as defined in the preceding Articles.

Article 4

Measures appropriate to national conditions shall be taken, where necessary, to encourage and promote the full development and utilisation of machinery for voluntary negotiation between employers or employers' organisations and workers' organisations, with a view to the regulation of terms and conditions of employment by means of collective agreements.

Article 5

1. The extent to which the guarantees provided for in this Convention shall apply to the armed forces and the police shall be determined by national laws or regulations.
2. In accordance with the principle set forth in paragraph 8 of article 19 of the Constitution of the International Labour Organisation the ratification of this Convention by any Member shall not be deemed to affect any existing law, award, custom or agreement in virtue of which members of the armed forces or the police enjoy any right guaranteed by this Convention.

Article 6

This Convention does not deal with the position of public servants engaged in the administration of the State, nor shall it be construed as prejudicing their rights or status in any way.

CONVENTION NO. 29 CONVENTION CONCERNING FORCED LABOUR

The General Conference of the International Labour Organisation,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Fourteenth Session on 10 June 1930, and

Having decided upon the adoption of certain proposals with regard to forced or compulsory labour, which is included in the first item on the agenda of the Session, and

Having determined that these proposals shall take the form of an international Convention,

adopts the twenty-eighth day of June of the year one thousand nine hundred and thirty, the following Convention, which may be cited as the Forced Labour Convention, 1930, for ratification by the Members of the International Labour Organisation in accordance with the provisions of the Constitution of the International Labour Organisation:

Article 1

1. Each Member of the International Labour Organisation which ratifies this Convention undertakes to suppress the use of forced or compulsory labour in all its forms within the shortest possible period.
2. With a view to this complete suppression, recourse to forced or compulsory labour may be had, during the transitional period, for public purposes only and as an exceptional measure, subject to the conditions and guarantees hereinafter provided.
3. At the expiration of a period of five years after the coming into force of this Convention, and when the Governing Body of the International Labour Office prepares the report provided for in Article 31 below, the said Governing Body shall consider the possibility of the suppression of forced or compulsory labour in all its forms without a further transitional period and the desirability of placing this question on the agenda of the Conference.

Article 2

1. For the purposes of this Convention the term forced or compulsory labour shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.
2. Nevertheless, for the purposes of this Convention, the term forced or compulsory labour shall not include
 - a) any work or service exacted in virtue of compulsory military service laws for work of a purely military character;
 - b) any work or service which forms part of the normal civic obligations of the citizens of a fully self-governing country;
 - c) any work or service exacted from any person as a consequence of a conviction in a court of law, provided that the said work or service is carried out under the supervision and control of a public authority and that the said person is not hired to or placed at the disposal of private individuals, companies or associations;
 - d) any work or service exacted in cases of emergency, that is to say, in the event of war or of a calamity or threatened calamity, such as fire, flood, famine, earthquake,

violent epidemic or epizootic diseases, invasion by animal, insect or vegetable pests, and in general any circumstance that would endanger the existence or the well-being of the whole or part of the population;

e) minor communal services of a kind which, being performed by the members of the community in the direct interest of the said community, can therefore be considered as normal civic obligations incumbent upon the members of the community, provided that the members of the community or their direct representatives shall have the right to be consulted in regard to the need for such services.

Article 3

For the purposes of this Convention the term competent authority shall mean either an authority of the metropolitan country or the highest central authority in the territory concerned.

Article 4

1. The competent authority shall not impose or permit the imposition of forced or compulsory labour for the benefit of private individuals, companies or associations.
2. Where such forced or compulsory labour for the benefit of private individuals, companies or associations exists at the date on which a Member's ratification of this Convention is registered by the Director-General of the International Labour Office, the Member shall completely suppress such forced or compulsory labour from the date on which this Convention comes into force for that Member.

Article 5

1. No concession granted to private individuals, companies or associations shall involve any form of forced or compulsory labour for the production or the collection of products which such private individuals, companies or associations utilise or in which they trade.
2. Where concessions exist containing provisions involving such forced or compulsory labour, such provisions shall be rescinded as soon as possible, in order to comply with Article 1 of this Convention.

Article 6

Officials of the administration, even when they have the duty of encouraging the populations under their charge to engage in some form of labour, shall not put constraint upon the said populations or upon any individual members thereof to work for private individuals, companies or associations.

Article 7

1. Chiefs who do not exercise administrative functions shall not have recourse to forced or compulsory labour.
2. Chiefs who exercise administrative functions may, with the express permission of the competent authority, have recourse to forced or compulsory labour, subject to the provisions of Article 10 of this Convention.
3. Chiefs who are duly recognised and who do not receive adequate remuneration in other forms may have the enjoyment of personal services, subject to due regulation and provided that all necessary measures are taken to prevent abuses.

Article 8

1. The responsibility for every decision to have recourse to forced or compulsory labour shall rest with the highest civil authority in the territory concerned.

2. Nevertheless, that authority may delegate powers to the highest local authorities to exact forced or compulsory labour which does not involve the removal of the workers from their place of habitual residence. That authority may also delegate, for such periods and subject to such conditions as may be laid down in the regulations provided for in Article 23 of this Convention, powers to the highest local authorities to exact forced or compulsory labour which involves the removal of the workers from their place of habitual residence for the purpose of facilitating the movement of officials of the administration, when on duty, and for the transport of Government stores.

Article 9

Except as otherwise provided for in Article 10 of this Convention, any authority competent to exact forced or compulsory labour shall, before deciding to have recourse to such labour, satisfy itself

- a) that the work to be done or the service to be rendered is of important direct interest for the community called upon to do work or render the service;
- b) that the work or service is of present or imminent necessity;
- c) that it has been impossible to obtain voluntary labour for carrying out the work or rendering the service by the offer of rates of wages and conditions of labour not less favourable than those prevailing in the area concerned for similar work or service; and
- d) that the work or service will not lay too heavy a burden upon the present population, having regard to the labour available and its capacity to undertake the work.

Article 10

1. Forced or compulsory labour exacted as a tax and forced or compulsory labour to which recourse is had for the execution of public works by chiefs who exercise administrative functions shall be progressively abolished.
2. Meanwhile, where forced or compulsory labour is exacted as a tax, and where recourse is had to forced or compulsory labour for the execution of public works by chiefs who exercise administrative functions, the authority concerned shall first satisfy itself
 - a) that the work to be done or the service to be rendered is of important direct interest for the community called upon to do the work or render the service;
 - b) that the work or the service is of present or imminent necessity;
 - c) that the work or service will not lay too heavy a burden upon the present population, having regard to the labour available and its capacity to undertake the work;
 - d) that the work or service will not entail the removal of the workers from their place of habitual residence;
 - e) that the execution of the work or the rendering of the service will be directed in accordance with the exigencies of religion, social life and agriculture.

Article 11

1. Only adult able-bodied males who are of an apparent age of not less than 18 and not more than 45 years may be called upon for forced or compulsory labour. Except in respect of the kinds of labour provided for in Article 10 of this Convention, the following limitations and conditions shall apply:
 - a) whenever possible prior determination by a medical officer appointed by the administration that the persons concerned are not suffering from any infectious or contagious disease and that they are physically fit for the work required and for the conditions under which it is to be carried out;

- b) exemption of school teachers and pupils and officials of the administration in general;
 - c) the maintenance in each community of the number of adult able-bodied men indispensable for family and social life;
 - d) respect for conjugal and family ties.
2. For the purposes of subparagraph (c) of the preceding paragraph, the regulations provided for in Article 23 of this Convention shall fix the proportion of the resident adult able-bodied males who may be taken at any one time for forced or compulsory labour, provided always that this proportion shall in no case exceed 25 per cent. In fixing this proportion the competent authority shall take account of the density of the population, of its social and physical development, of the seasons, and of the work which must be done by the persons concerned on their own behalf in their locality, and, generally, shall have regard to the economic and social necessities of the normal life of the community concerned.

Article 12

1. The maximum period for which any person may be taken for forced or compulsory labour of all kinds in any one period of twelve months shall not exceed sixty days, including the time spent in going to and from the place of work.
2. Every person from whom forced or compulsory labour is exacted shall be furnished with a certificate indicating the periods of such labour which he has completed.

Article 13

1. The normal working hours of any person from whom forced or compulsory labour is exacted shall be the same as those prevailing in the case of voluntary labour, and the hours worked in excess of the normal working hours shall be remunerated at the rates prevailing in the case of overtime for voluntary labour.
2. A weekly day of rest shall be granted to all persons from whom forced or compulsory labour of any kind is exacted and this day shall coincide as far as possible with the day fixed by tradition or custom in the territories or regions concerned.

Article 14

1. With the exception of the forced or compulsory labour provided for in Article 10 of this Convention, forced or compulsory labour of all kinds shall be remunerated in cash at rates not less than those prevailing for similar kinds of work either in the district in which the labour is employed or in the district from which the labour is recruited, whichever may be the higher.
2. In the case of labour to which recourse is had by chiefs in the exercise of their administrative functions, payment of wages in accordance with the provisions of the preceding paragraph shall be introduced as soon as possible.
3. The wages shall be paid to each worker individually and not to his tribal chief or to any other authority.
4. For the purpose of payment of wages the days spent in travelling to and from the place of work shall be counted as working days.
5. Nothing in this Article shall prevent ordinary rations being given as a part of wages, such rations to be at least equivalent in value to the money payment they are taken to represent, but deductions from wages shall not be made either for the payment of taxes or for special food, clothing or accommodation supplied to a worker for the purpose of maintaining him in a fit condition to carry on his work under the special conditions of any employment, or for the supply of tools.

Article 15

1. Any laws or regulations relating to workmen's compensation for accidents or sickness arising out of the employment of the worker and any laws or regulations providing compensation for the dependants of deceased or incapacitated workers which are or shall be in force in the territory concerned shall be equally applicable to persons from whom forced or compulsory labour is exacted and to voluntary workers.
2. In any case it shall be an obligation on any authority employing any worker on forced or compulsory labour to ensure the subsistence of any such worker who, by accident or sickness arising out of his employment, is rendered wholly or partially incapable of providing for himself, and to take measures to ensure the maintenance of any persons actually dependent upon such a worker in the event of his incapacity or decease arising out of his employment.

Article 16

1. Except in cases of special necessity, persons from whom forced or compulsory labour is exacted shall not be transferred to districts where the food and climate differ so considerably from those to which they have been accustomed as to endanger their health.
2. In no case shall the transfer of such workers be permitted unless all measures relating to hygiene and accommodation which are necessary to adapt such workers to the conditions and to safeguard their health can be strictly applied.
3. When such transfer cannot be avoided, measures of gradual habituation to the new conditions of diet and of climate shall be adopted on competent medical advice.
4. In cases where such workers are required to perform regular work to which they are not accustomed, measures shall be taken to ensure their habituation to it, especially as regards progressive training, the hours of work and the provision of rest intervals, and any increase or amelioration of diet which may be necessary.

Article 17

Before permitting recourse to forced or compulsory labour for works of construction or maintenance which entail the workers remaining at the workplaces for considerable periods, the competent authority shall satisfy itself

- (1) that all necessary measures are taken to safeguard the health of the workers and to guarantee the necessary medical care, and, in particular,
 - (a) that the workers are medically examined before commencing the work and at fixed intervals during the period of service,
 - (b) that there is an adequate medical staff, provided with the dispensaries, infirmaries, hospitals and equipment necessary to meet all requirements, and
 - (c) that the sanitary conditions of the workplaces, the supply of drinking water, food, fuel, and cooking utensils, and, where necessary, of housing and clothing, are satisfactory;
- (2) that definite arrangements are made to ensure the subsistence of the families of the workers, in particular by facilitating the remittance, by a safe method, of part of the wages to the family, at the request or with the consent of the workers;
- (3) that the journeys of the workers to and from the work-places are made at the expense and under the responsibility of the administration, which shall facilitate such journeys by making the fullest use of all available means of transport;
- (4) that, in case of illness or accident causing incapacity to work of a certain duration, the worker is repatriated at the expense of the administration;
- (5) that any worker who may wish to remain as a voluntary worker at the end of his

period of forced or compulsory labour is permitted to do so without, for a period of two years, losing his right to repatriation free of expense to himself.

Article 18

1. Forced or compulsory labour for the transport of persons or goods, such as the labour of porters or boatmen, shall be abolished within the shortest possible period. Meanwhile the competent authority shall promulgate regulations determining, *inter alia*,
 - (a) that such labour shall only be employed for the purpose of facilitating the movement of officials of the administration, when on duty, or for the transport of Government stores, or, in cases of very urgent necessity, the transport of persons other than officials,
 - (b) that the workers so employed shall be medically certified to be physically fit, where medical examination is possible, and that where such medical examination is not practicable the person employing such workers shall be held responsible for ensuring that they are physically fit and not suffering from any infectious or contagious disease,
 - (c) the maximum load which these workers may carry,
 - (d) the maximum distance from their homes to which they may be taken,
 - (e) the maximum number of days per month or other period for which they may be taken, including the days spent in returning to their homes, and
 - (f) the persons entitled to demand this form of forced or compulsory labour and the extent to which they are entitled to demand it.
2. In fixing the maxima referred to under (c), (d) and (e) in the foregoing paragraph, the competent authority shall have regard to all relevant factors, including the physical development of the population from which the workers are recruited, the nature of the country through which they must travel and the climatic conditions.
3. The competent authority shall further provide that the normal daily journey of such workers shall not exceed a distance corresponding to an average working day of eight hours, it being understood that account shall be taken not only of the weight to be carried and the distance to be covered, but also of the nature of the road, the season and all other relevant factors, and that, where hours of journey in excess of the normal daily journey are exacted, they shall be remunerated at rates higher than the normal rates.

Article 19

1. The competent authority shall only authorise recourse to compulsory cultivation as a method of precaution against famine or a deficiency of food supplies and always under the condition that the food or produce shall remain the property of the individuals or the community producing it.
2. Nothing in this Article shall be construed as abrogating the obligation on members of a community, where production is organised on a communal basis by virtue of law or custom and where the produce or any profit accruing from the sale thereof remain the property of the community, to perform the work demanded by the community by virtue of law or custom.

Article 20

Collective punishment laws under which a community may be punished for crimes committed by any of its members shall not contain provisions for forced or compulsory labour by the community as one of the methods of punishment.

Article 21

Forced or compulsory labour shall not be used for work underground in mines.

Article 22

The annual reports that Members which ratify this Convention agree to make to the International Labour Office, pursuant to the provisions of article 22 of the Constitution of the International Labour Organisation, on the measures they have taken to give effect to the provisions of this Convention, shall contain as full information as possible, in respect of each territory concerned, regarding the extent to which recourse has been had to forced or compulsory labour in that territory, the purposes for which it has been employed, the sickness and death rates, hours of work, methods of payment of wages and rates of wages, and any other relevant information.

Article 23

1. To give effect to the provisions of this Convention the competent authority shall issue complete and precise regulations governing the use of forced or compulsory labour.
2. These regulations shall contain, inter alia, rules permitting any person from whom forced or compulsory labour is exacted to forward all complaints relative to the conditions of labour to the authorities and ensuring that such complaints will be examined and taken into consideration.

Article 24

Adequate measures shall in all cases be taken to ensure that the regulations governing the employment of forced or compulsory labour are strictly applied, either by extending the duties of any existing labour inspectorate which has been established for the inspection of voluntary labour to cover the inspection of forced or compulsory labour or in some other appropriate manner. Measures shall also be taken to ensure that the regulations are brought to the knowledge of persons from whom such labour is exacted.

Article 25

The illegal exaction of forced or compulsory labour shall be punishable as a penal offence, and it shall be an obligation on any Member ratifying this Convention to ensure that the penalties imposed by law are really adequate and are strictly enforced.

CONVENTION NO. 105 CONVENTION CONCERNING ABOLITION OF FORCED LABOUR

The General Conference of the International Labour Organisation,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Fortieth Session on 5 June 1957, and

Having considered the question of forced labour, which is the fourth item on the agenda of the session, and

Having noted the provisions of the Forced Labour Convention, 1930, and

Having noted that the Slavery Convention, 1926, provides that all necessary measures

shall be taken to prevent compulsory or forced labour from developing into conditions analogous to slavery and that the Supplementary Convention on the Abolition of Slavery, the Slave Trade and Institutions and Practices Similar to Slavery, 1956, provides for the complete abolition of debt bondage and serfdom, and

Having noted that the Protection of Wages Convention, 1949, provides that wages shall be paid regularly and prohibits methods of payment which deprive the worker of a genuine possibility of terminating his employment, and

Having decided upon the adoption of further proposals with regard to the abolition of certain forms of forced or compulsory labour constituting a violation of the rights of man referred to in the Charter of the United Nations and enunciated by the Universal Declaration of Human Rights, and

Having determined that these proposals shall take the form of an international Convention,

adopts the twenty-fifth day of June of the year one thousand nine hundred and fifty-seven, the following Convention, which may be cited as the Abolition of Forced Labour Convention, 1957:

Article 1

Each Member of the International Labour Organisation which ratifies this Convention undertakes to suppress and not to make use of any form of forced or compulsory labour

- a) as a means of political coercion or education or as a punishment for holding or expressing political views or views ideologically opposed to the established political, social or economic system;
- b) as a method of mobilising and using labour for purposes of economic development;
- c) as a means of labour discipline;
- d) as a punishment for having participated in strikes;
- e) as a means of racial, social, national or religious discrimination.

Article 2

Each Member of the International Labour Organisation which ratifies this Convention undertakes to take effective measures to secure the immediate and complete abolition of forced or compulsory labour as specified in Article 1 of this Convention.

CONVENTION NO. 100 CONVENTION CONCERNING EQUAL REMUNERATION

The General Conference of the International Labour Organisation,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Thirty-fourth Session on 6 June 1951, and

Having decided upon the adoption of certain proposals with regard to the principle of equal remuneration for men and women workers for work of equal value, which is the seventh item on the agenda of the session, and

Having determined that these proposals shall take the form of an international Convention,

adopts the twenty-ninth day of June of the year one thousand nine hundred and fifty-one, the following Convention, which may be cited as the Equal Remuneration Convention, 1951:

Article 1

For the purpose of this Convention

- a) the term remuneration includes the ordinary, basic or minimum wage or salary and any additional emoluments whatsoever payable directly or indirectly, whether in cash or in kind, by the employer to the worker and arising out of the worker's employment;
- b) the term equal remuneration for men and women workers for work of equal value refers to rates of remuneration established without discrimination based on sex.

Article 2

1. Each Member shall, by means appropriate to the methods in operation for determining rates of remuneration, promote and, in so far as is consistent with such methods, ensure the application to all workers of the principle of equal remuneration for men and women workers for work of equal value.
2. This principle may be applied by means of
 - a) national laws or regulations;
 - b) legally established or recognised machinery for wage determination;
 - c) collective agreements between employers and workers; or
 - d) a combination of these various means.

Article 3

1. Where such action will assist in giving effect to the provisions of this Convention measures shall be taken to promote objective appraisal of jobs on the basis of the work to be performed.
2. The methods to be followed in this appraisal may be decided upon by the authorities responsible for the determination of rates of remuneration, or, where such rates are determined by collective agreements, by the parties thereto.
3. Differential rates between workers which correspond, without regard to sex, to differences, as determined by such objective appraisal, in the work to be performed shall not be considered as being contrary to the principle of equal remuneration for men and women workers for work of equal value.

Article 4

Each Member shall co-operate as appropriate with the employers' and workers' organisations concerned for the purpose of giving effect to the provisions of this Convention.

CONVENTION NO. 111 CONVENTION CONCERNING DISCRIMINATION (EMPLOYMENT AND OCCUPATION)

The General Conference of the International Labour Organisation,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Forty-second Session on 4 June 1958, and

Having decided upon the adoption of certain proposals with regard to discrimination in the field of employment and occupation, which is the fourth item on the agenda of the session, and

Having determined that these proposals shall take the form of an international Convention, and

Considering that the Declaration of Philadelphia affirms that all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity, and

Considering further that discrimination constitutes a violation of rights enunciated by the Universal Declaration of Human Rights,

adopts the twenty-fifth day of June of the year one thousand nine hundred and fifty-eight, the following Convention, which may be cited as the Discrimination (Employment and Occupation) Convention, 1958:

Article 1

1. For the purpose of this Convention the term discrimination includes
 - a) any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation;
 - b) such other distinction, exclusion or preference which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation as may be determined by the Member concerned after consultation with representative employers' and workers' organisations, where such exist, and with other appropriate bodies.
2. Any distinction, exclusion or preference in respect of a particular job based on the inherent requirements thereof shall not be deemed to be discrimination.
3. For the purpose of this Convention the terms employment and occupation include access to vocational training, access to employment and to particular occupations, and terms and conditions of employment.

Article 2

Each Member for which this Convention is in force undertakes to declare and pursue a national policy designed to promote, by methods appropriate to national conditions and practice, equality of opportunity and treatment in respect of employment and occupation, with a view to eliminating any discrimination in respect thereof.

Article 3

Each Member for which this Convention is in force undertakes, by methods appropriate to national conditions and practice

- a) to seek the co-operation of employers' and workers' organisations and other appropriate bodies in promoting the acceptance and observance of this policy;
- b) to enact such legislation and to promote such educational programmes as may be calculated to secure the acceptance and observance of the policy;
- c) to repeal any statutory provisions and modify any administrative instructions or practices which are inconsistent with the policy;
- d) to pursue the policy in respect of employment under the direct control of a national authority;
- e) to ensure observance of the policy in the activities of vocational guidance, vocational training and placement services under the direction of a national authority;
- f) to indicate in its annual reports on the application of the Convention the action taken in pursuance of the policy and the results secured by such action.

Article 4

Any measures affecting an individual who is justifiably suspected of, or engaged in, activities prejudicial to the security of the State shall not be deemed to be discrimination, provided that the individual concerned shall have the right to appeal to a competent body established in accordance with national practice.

Article 5

1. Special measures of protection or assistance provided for in other Conventions or Recommendations adopted by the International Labour Conference shall not be deemed to be discrimination.
2. Any Member may, after consultation with representative employers' and workers' organisations, where such exist, determine that other special measures designed to meet the particular requirements of persons who, for reasons such as sex, age, disablement, family responsibilities or social or cultural status, are generally recognised to require special protection or assistance, shall not be deemed to be discrimination.

Article 6

Each Member which ratifies this Convention undertakes to apply it to non-metropolitan territories in accordance with the provisions of the Constitution of the International Labour Organisation.

CONVENTION NO. 138 CONVENTION CONCERNING MINIMUM AGE

Preamble

The General Conference of the International Labour Organisation,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Fifty-eighth Session on 6 June 1973, and

Having decided upon the adoption of certain proposals with regard to minimum age for admission to employment, which is the fourth item on the agenda of the session, and

Noting the terms of the Minimum Age (Industry) Convention, 1919, the Minimum Age (Sea) Convention, 1920, the Minimum Age (Agriculture) Convention, 1921, the Minimum Age (Trimmers and Stokers) Convention, 1921, the Minimum Age (Non-Industrial Employment) Convention, 1932 the Minimum Age (Sea) Convention (Revised), 1936, the Minimum Age (Industry) Convention (Revised), 1937, the Minimum Age (Non-Industrial Employment) Convention (Revised), 1937, the Minimum Age (Fishermen) Convention, 1959, and the Minimum Age (Underground Work) Convention, 1965, and

Considering that the time has come to establish a general instrument on the subject, which would gradually replace the existing ones applicable to limited economic sectors, with a view to achieving the total abolition of child labour, and

Having determined that these proposals shall take the form of an international Convention,

adopts the twenty-sixth day of June of the year one thousand nine hundred and seventy-three, the following Convention, which may be cited as the Minimum Age Convention, 1973:

Article 1

Each Member for which this Convention is in force undertakes to pursue a national policy designed to ensure the effective abolition of child labour and to raise progressively the minimum age for admission to employment or work to a level consistent with the fullest physical and mental development of young persons.

Article 2

1. Each Member which ratifies this Convention shall specify, in a declaration appended to its ratification, a minimum age for admission to employment or work within its territory and on means of transport registered in its territory; subject to Articles 4 to 8 of this Convention, no one under that age shall be admitted to employment or work in any occupation.
2. Each Member which has ratified this Convention may subsequently notify the Director-General of the International Labour Office, by further declarations, that it specifies a minimum age higher than that previously specified.
3. The minimum age specified in pursuance of paragraph 1 of this Article shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years.
4. Notwithstanding the provisions of paragraph 3 of this Article, a Member whose economy and educational facilities are insufficiently developed may, after consultation with the organisations of employers and workers concerned, where such exist, initially specify a minimum age of 14 years.
5. Each Member which has specified a minimum age of 14 years in pursuance of the provisions of the preceding paragraph shall include in its reports on the application of this Convention submitted under article 22 of the constitution of the International Labour Organisation a statement
 - (a) that its reason for doing so subsists; or
 - (b) that it renounces its right to avail itself of the provisions in question as from a stated date.

Article 3

1. The minimum age for admission to any type of employment or work which by its nature or the circumstances in which it is carried out is likely to jeopardise the health, safety or morals of young persons shall not be less than 18 years.
2. The types of employment or work to which paragraph 1 of this Article applies shall be determined by national laws or regulations or by the competent authority, after consultation with the organisations of employers and workers concerned, where such exist.
3. Notwithstanding the provisions of paragraph 1 of this Article national laws or regulations or the competent authority may, after consultation with the organisations of employers and workers concerned, where such exist, authorise employment or work as from the age of 16 years on condition that the health, safety and morals of the young persons concerned are fully protected and that the young persons have received adequate specific instruction or vocational training in the relevant branch of activity.

Article 4

1. In so far as necessary, the competent authority, after consultation with the organisations of employers and workers concerned, where such exist, may exclude from the application of this Convention limited categories of employment or work in respect of which special and substantial problems of application arise.
2. Each Member which ratifies this Convention shall list in its first report on the application of the Convention submitted under article 22 of the Constitution of the International Labour Organisation any categories which may have been excluded in pursuance of paragraph 1 of this Article, giving the reasons for such exclusion, and shall state in subsequent reports the position of its law and practice in respect of the categories excluded and the extent to which effect has been given or is proposed to be given to the Convention in respect of such categories.
3. Employment or work covered by Article 3 of this Convention shall not be excluded from the application of the Convention in pursuance of this Article.

Article 5

1. A Member whose economy and administrative facilities are insufficiently developed may, after consultation with the organisations of employers and workers concerned, where such exist initially limit the scope of application of this Convention.
2. Each Member which avails itself of the provisions of paragraph 1 of this Article shall specify, in a declaration appended to its ratification, the branches of economic activity or types of undertakings to which it will apply the provisions of the Convention.
3. The provisions of the Convention shall be applicable as a minimum to the following: mining and quarrying; manufacturing; construction; electricity, gas and water; sanitary services; transport, storage and communication; and plantations and other agricultural undertakings mainly producing for commercial purposes, but excluding family and small-scale holdings producing for local consumption and not regularly employing hired workers.
4. Any Member which has limited the scope of application of this Convention in pursuance of this Article
 - (a) shall indicate in its reports under article 22 of the Constitution of the International Labour Organisation the general position as regards the employment or work of young persons and children in the branches of activity which are excluded from the scope of application of this Convention and any progress

which may have been made towards wider application of the provisions of the Convention;

- (b) may at any time formally extend the scope of application by a declaration addressed to the Director-General of the International Labour Office.

Article 6

This Convention does not apply to work done by children and young persons in schools for general, vocational or technical education or in other training institutions, or to work done by persons at least 14 years of age in undertakings, where such work is carried out in accordance with conditions prescribed by the competent authority after consultation with the organisations of employers and workers concerned, where such exist, and is an integral part of

- (a) a course of education or training for which a school or training institution is primarily responsible;
- (b) a programme of training mainly or entirely in an undertaking which programme has been approved by the competent authority; or
- (c) a programme of guidance or orientation designed to facilitate the choice of an occupation or of a line of training.

Article 7

1. National laws or regulations may permit the employment or work of persons 13 to 15 years of age on light work which is
 - (a) not likely to be harmful to their health or development; and
 - (b) not such as to prejudice their attendance at school, their participation in vocational orientation or training programmes approved by the competent authority or their capacity to benefit from the instruction received.
2. National laws or regulations may also permit the employment or work of persons who are at least 15 years of age but have not yet completed their compulsory schooling on work which meets the requirements set forth in sub-paragraphs (a) and (b) of paragraph 1 of this Article.
3. The competent authority shall determine the activities in which employment or work may be permitted under paragraphs 1 and 2 of this Article and shall prescribe the number of hours during which and the conditions in which such employment or work may be undertaken.
4. Notwithstanding the provisions of paragraphs 1 and 2 of this Article, a Member which has availed itself of the provisions of paragraph 4 of Article 2 may, for as long as it continues to do so substitute the ages 12 and 14 for the ages 13 and 15 in paragraph 1 and the age 14 for the age 15 in paragraph 2 of this Article.

Article 8

1. After consultation with the organisations of employers and workers concerned, where such exist, the competent authority may, by permits granted in individual cases, allow exceptions to the prohibition of employment or work provided for in Article 2 of this Convention, for such purposes as participation in artistic performances.
2. Permits so granted shall limit the number of hours during which and prescribe the conditions in which employment or work is allowed.

Article 9

1. All necessary measures, including the provision of appropriate penalties, shall be taken by the competent authority to ensure the effective enforcement of the provisions of this Convention.

2. National laws or regulations or the competent authority shall define the persons responsible for compliance with the provisions giving effect to the Convention.
3. National laws or regulations or the competent authority shall prescribe the registers or other documents which shall be kept and made available by the employer; such registers or documents shall contain the names and ages or dates of birth, duly certified wherever possible, of persons whom he employs or who work for him and who are less than 18 years of age.

CONVENTION NO. 182 CONVENTION CONCERNING WORST FORMS OF CHILD LABOUR

The General Conference of the International Labour Organization,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its 87th Session on 1 June 1999, and

Considering the need to adopt new instruments for the prohibition and elimination of the worst forms of child labour, as the main priority for national and international action, including international cooperation and assistance, to complement the Convention and the Recommendation concerning Minimum Age for Admission to Employment, 1973, which remain fundamental instruments on child labour, and

Considering that the effective elimination of the worst forms of child labour requires immediate and comprehensive action, taking into account the importance of free basic education and the need to remove the children concerned from all such work and to provide for their rehabilitation and social integration while addressing the needs of their families, and

Recalling the resolution concerning the elimination of child labour adopted by the International Labour Conference at its 83rd Session in 1996, and

Recognizing that child labour is to a great extent caused by poverty and that the long-term solution lies in sustained economic growth leading to social progress, in particular poverty alleviation and universal education, and

Recalling the Convention on the Rights of the Child adopted by the United Nations General Assembly on 20 November 1989, and

Recalling the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, adopted by the International Labour Conference at its 86th Session in 1998, and

Recalling that some of the worst forms of child labour are covered by other international instruments, in particular the Forced Labour Convention, 1930, and the United Nations Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery, 1956, and

Having decided upon the adoption of certain proposals with regard to child labour, which is the fourth item on the agenda of the session, and

Having determined that these proposals shall take the form of an international Convention;

adopts this seventeenth day of June of the year one thousand nine hundred and ninety-nine the following Convention, which may be cited as the Worst Forms of Child Labour Convention, 1999.

Article 1

Each Member which ratifies this Convention shall take immediate and effective measures to secure the prohibition and elimination of the worst forms of child labour as a matter of urgency.

Article 2

For the purposes of this Convention, the term child shall apply to all persons under the age of 18.

Article 3

For the purposes of this Convention, the term the worst forms of child labour comprises:

- (a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict;
- (b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
- (c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties;
- (d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

Article 4

1. The types of work referred to under Article 3(d) shall be determined by national laws or regulations or by the competent authority, after consultation with the organizations of employers and workers concerned, taking into consideration relevant international standards, in particular Paragraphs 3 and 4 of the Worst Forms of Child Labour Recommendation, 1999.
2. The competent authority, after consultation with the organizations of employers and workers concerned, shall identify where the types of work so determined exist.
3. The list of the types of work determined under paragraph 1 of this Article shall be periodically examined and revised as necessary, in consultation with the organizations of employers and workers concerned.

Article 5

Each Member shall, after consultation with employers' and workers' organizations, establish or designate appropriate mechanisms to monitor the implementation of the provisions giving effect to this Convention.

Article 6

1. Each Member shall design and implement programmes of action to eliminate as a priority the worst forms of child labour.
2. Such programmes of action shall be designed and implemented in consultation with relevant government institutions and employers' and workers' organizations, taking into consideration the views of other concerned groups as appropriate.

APPENDIX IV

LIST OF ABBREVIATIONS

- EI - Education International
- EPZ - export processing zones
- ETUC - European Trade Union Confederation
- EU - European Union
- EWC - European Works Council
- FA - framework agreement
- FDI - foreign direct investment
- GSP - Generalised System of Preferences
- ICEM - International Federation of Chemical, Energy, Mine and General Workers' Union
- ICFTU - International Confederation of Free Trade unions
- IFBWW - International Federation of Building and Wood Workers
- IFJ - International Federation of Journalists
- IMF - International Metalworkers' Federation (the GUF)
- IMF - International Monetary Fund (the financial institution)
- ILO - International Labour Organisation
- ITGLWF - International Textile, Garment and Leather Workers' Federation
- ITF - International Transport Workers' Federation
- GUF - Global Union Federation
- IUF - International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Association
- MNE - multinational enterprise
- NGO - Non-Governmental Organisation
- OECD - Organisation for Economic Co-operation and Development
- PSI - Public Services International
- TNC - Transnational Company
- TUAC - Trade Union Advisory Committee
- UN - United Nations
- UNI - Union Network International
- UNCTAD - United Nations Conference on Trade and Development
- WCL - World Confederation of Labour
- WTO - World Trade Organisation