CONCLUSIONS

International Workers’ Symposium on
“The Role of Trade Unions in the Global Economy and the Fight against Poverty”
Geneva, 17th – 21st October 2005

“Fight Poverty – Organize”

Summary and Conclusions

The International Workers’ Symposium on “The role of trade unions in the global economy and the fight against poverty”, having met in Geneva from 17 -20 October 2005, reached the following conclusions:

General considerations:

1. According to ILO estimates, 1.39 billion workers worldwide – almost half of the world's total workforce, and nearly 60 per cent of the workers in the developing countries - do not earn enough to lift themselves and their families above the US $2 a day poverty line. Millions of workers have no direct representation, no social protection and engage in survival activities. Inequality between and within countries is increasing. Indeed, the vast majority of people are not sharing in the benefits of globalization and shaping it.

2. Trade unionism is a means for workers to liberate themselves from poverty and social exclusion. Workers use trade unions as their representative voice to demand their rights and improve their living and working conditions. The formation of trade unions was a reaction against the mechanisms of pauperisation, notably: low pay, long working hours, child labour and generally appalling working conditions. And so trade unionism has always been about eradicating poverty. The symposium recalls this historical, as well as the current role of trade unions, to continue the fight against poverty and to promote social justice in the global economy.

3. Hence, the central message of the symposium, “Fight Poverty – Organise”: This means that trade unions become an even more effective tool for workers to escape poverty, exploitation and the violation of their basic human dignity. It also means organising collective bargaining and other forms of negotiations and creative social dialogue and engagement. Furthermore, it means organizing effective trade union participation in the design and implementation of public policy based on the priorities of our members and ILO Conventions. Finally, it means engaging in the struggle for democratic governance, decent employment and quality public services, with full access for the unemployed, underemployed, and working poor.
4. The symposium observed the United Nations International Day for the Eradication of Poverty (October 17th) and renewed its support to the Global Call to Action against Poverty. The key demands of the GCAP for more and better aid, debt cancellation, trade justice, national level action, the respect of workers’ rights and the creation of decent work for all, were fully endorsed.

**Summary of Proceedings**

**Overview of the State of the Global Economy and the Fight against Poverty:**

5. Participants examined the state of the global economy and the challenge of poverty eradication, the progress and future opportunities in connection with the Millennium Development Goals, and policy debates regarding global governance and coherence, debt cancellation and financing for development.

6. Delegates observed a moment of silence for the thousands of victims of the recent natural disasters in various regions of the world. Natural disasters often have the greatest impact on the poor. The effects and responses to disasters are elements that reflect human failure in ensuring social justice and fair distribution of wealth and resources. Reports and testimonies were presented to the meeting showing that 800 million people each day go to bed with hunger and millions of working people do not earn enough to lift their families out of poverty.

7. Incoherence in global policies often reflects incoherence at national level. This includes contradictory approaches by international agencies. Governments also sometimes abdicate their responsibilities in the face of the globalising economy and sign international commitments like the MDGs, without implementing the measures at home. These and the unjust rules of international trade and investment, were among the underlying causes of continuing poverty identified by the meeting. While participants stressed the unique role of the trade union movement in ensuring a fair distribution of the benefits of economic growth and productivity and in making sure that the burden in times of crisis is evenly shared, they noted that in too many countries the trade unions remain under attack by governments and employers alike.

8. Debt cancellation, fair trade, the full implementation of the MDGs and other anti-poverty plans and recommendations drawn by institutions such as the World Health Organisation, the G8 and the World Commission on the Social Dimension of Globalisation, set up at the initiative of the ILO, were among the key demands expressed by delegates during their overview session. Decent work, good governance and respect of international labour standards all form part of the solution to the poverty crisis.
9. Delegates noted that as a general rule, it is where trade unions are the strongest that poverty and inequality has best been reduced. International labour standards are not a result or a side effect of economic progress, they are an engine of sustainable development. Freedom of association and the right to collective bargaining and collective action are major tools to give the poor a voice in combating poverty and are vital for the ILO’s own role in promoting social justice.

International Financial Institutions (IFIs) and Poverty Reduction:

10. The Symposium is concerned that, through the IFI “advice” to many low and middle-income countries, globalization continues to benefit a minority with the bulk of the world’s population left behind. Despite growth in some countries, with unprecedented profit margins to corporations, unemployment, poverty, inequalities, and low wages have remained the order of the day. Moreover, the income inequalities are not being reduced between the North and the South, or within countries and regions both in the North and in the South.

11. The IFI structural adjustment measures are against the social needs of the workers and their families and the population at large. It is becoming clear that neoliberal macroeconomic dogma alone cannot lead to long-term development in the developing world. It was noted that many IMF/World Bank adjustment "packages" have included various anti-poor and anti-labour policy reforms (particularly privatisation of public entities, cost sharing in education and health facilities, wage restraint, retrenchments, price liberalisation, decline in real wages, substantial arrears in payment of wages, non-payment of workers’ redundancy benefits, and elimination of fringe benefits and labour welfare and protection measures). Unless the IFIs change their policies, poverty will not be eradicated from the face of the earth.

12. In a self-evaluation of their policies, the Bank and the Fund have started to acknowledge their shortcomings, particularly the effects of some of their policies on social development and the need for policy space in development strategies. There seems to be some progress as a result of IFI/trade union dialogue over the years. For instance, the Comprehensive Development Framework (CDF), operationalized through the PRSP process, stresses the mutually reinforcing nature of economic and social development. However, while there is a commitment on paper and on the part of senior IFI management, it is still very rare that country level operations take these principles into account.

13. While conditionalities have been “streamlined” and reduced in number, they have in most cases simply been consolidated. For instance, conditionalities for reaching the HIPC “completion point” are still pegged to more austerity on the part of governments, with the social sector being the main one to be starved of much-needed resources. On the positive side, developments in the provision of debt relief to poor developing countries are welcome.
14. Labour matters must be seriously considered by the IFIs. Efforts through the IFI/trade union/ILP policy coherence dialogues should be continued; IFC commitments to core labour standards; joint IFI and trade union capacity building activities; as well as trade union secondments and studies.

15. There remains a number of contradictions within the IFIs. For instance, while the 2006 World Bank’s World Development Report on “Equity and Development” underlines the importance of trade unions in promoting equity, its flagship report on “Doing Business”, tends to reward countries with “flexible” hiring and firing provisions. With regard to labour market policies, the tendency and advice has been to support labour market flexibility, the dismantling of pension schemes, and so on. The IFIs have not adequately underscored the importance of labour market institutions, particularly the role of trade unions in national development.

**Trade Unions and Poverty Reduction Strategy Papers (PRSPs):**

16. A total of 49 low-income countries have developed Poverty Reduction Strategies (PRSs). Participants welcomed the increased focus of the IFIs on poverty reduction in their cooperation with low-income countries and the following conclusions were reached:

17. The principle of **country ownership** of PRSs as well as full involvement of social partners in that process is important. However, the ownership process is constrained by the conditionalities which are still linked to World Bank and IMF funding. Furthermore, governments tend to produce PRSPs which they think the IFIs would prefer in order to expedite resource allocation. Lack of prioritisation in PRSPs also encourages external interference in country-driven policies.

18. The quality of **participation** in PRSPs remains an important concern. The lack of freedom of association and a tendency of governments to prefer consultation to effective participation makes the participatory process in many countries meaningless. Even though trade union participation in the formulation of PRSPs has somehow increased and its quality improved, the role of unions in the implementation, monitoring and evaluation of PRSPs needs to be strengthened. A major challenge facing unions was the need to expand their capacities in socio-economic policy in order to ensure an effective participation in PRSSs. In this regard, Poverty and Social Impact Analysis is an important instrument that unions could use.

19. A range of **policy issues** were identified as being important if the PRSP process was to lead to effective reduction in poverty in low income countries. A first issue was the importance of policy space, particularly in relation to macroeconomic policy, in order for countries to map out their own development policies outside the narrow constraints of the “Washington Consensus” disciplines. Another important issue identified was the importance of aligning PRSPs with Medium Term Expenditure
Frameworks and Budgetary processes. Finally, participants stressed the absolute importance of making the creation of decent work a central preoccupation of PRSs.

20. The lack of **coherence** between PRSPs and other policies, notably trade policy, was also identified as an issue of major concern. In this regard, coherence of global policies with the national policies was stressed. This coherence was further underlined in terms of the need for alignment of donor policies to national PRSPs.

21. Finally, participants stressed the importance of **trade union engagement** in PRSs and the necessity to work towards the institutionalisation of social dialogue in socio-economic policy. Furthermore, unions had to play an active role to ensure good governance as well as transparent use of resources derived from debt cancellation and increased aid.

**Freedom of Association is Essential for Social Progress:**

22. Participants stressed that labour standards, in particular, those dealing with freedom of association and collective bargaining are crucial in securing decent working conditions and social progress. In this respect, certain categories of workers, most of whom are women, are particularly vulnerable to denial of, or restriction to basic rights. These include workers in the export processing zones, those in the informal economy, in the rural sector, migrant workers, and domestic workers. It was felt that reaching out to these workers was particularly important in the trade union fight against poverty.

23. Examples of trade union campaigns in South Africa and the Dominican Republic testified to the intensity of the struggle that has to be waged and to the challenges confronting trade unions including anti-union repression, unfair dismissals, poor working conditions, lack of social protection, absence of health and safety measures, low wages etc.

24. Organizing workers and defending their rights remains a dangerous business. The annual survey of the International Confederation of Free Trade Unions (ICFTU), released on the opening of the meeting, says that a total of 145 people worldwide were killed in 2004 due to their trade union activities, 16 more than the previous year. The report documents over 700 violent attacks on trade unionists, and nearly 500 death threats. It says that “trade unionists in many countries continue to face imprisonment, dismissal and discrimination, while legal obstacles to trade union organizing and collective bargaining are being used to deny millions of workers their rights”.

25. Restrictions on freedom of association range from obstacles in labour legislation (in particular for the rural sector and the informal economy) and administrative hindrance, to outright attacks and abuses by unscrupulous employers and governments. Restrictions on the right to collective bargaining also result in
undermining the basic mechanism to ensure fair distribution of incomes and
equality.

26. The ILO supervisory mechanisms play a significant role in addressing situations of
abuses although participants felt that procedures were often too long and let a
number of governments get away with violations of workers rights. Participants
stressed that freedom of association is essential for the defence and promotion of
the interests of the poor. It was felt that trade unions should develop innovative
means of reaching out to the unorganized workers, integrating them in the trade
union movement including through networking with organizations active in the
informal economy who share the trade union movement values. Special attention
should be paid to workers who find themselves in a disguised form of employment
as a result of sub-contracting or other dubious arrangements by employers.

Tripartism and Social Dialogue for Poverty Reduction:

27. Freedom of association and the right to collective bargaining are the bedrock on
which social dialogue is built. Social dialogue cannot exist without respect for
freedom of association and without independent trade unions and employers’
organisations. Social dialogue is both a means and a process to reach solutions to
conflicts and problems in the world of work. In order to have a sound social dialogue,
four basic conditions have to be satisfied: Firstly, workers and employers should
enjoy the full right of freedom of association; secondly, there should be strong and
representative workers’ and employers’ organisations; thirdly, the rights and
responsibilities of both employers and workers should be recognised; fourthly,
mechanisms for negotiations and grievance procedures should be clearly set in
place.

28. However, a distinction has to be made between civil and social dialogue. Social
dialogue involves representative organisations responsible for workplace issues, in
other words the social partners. Civil dialogue involves a broader range of
organisations, advocacy groups, and issues. Reference was made to the Resolution
on Tripartism and Social Dialogue adopted by the ILC in 2002 which reaffirmed that
tripartism is the main pillar of the ILO.

29. Recently the ICFTU and the IOE have been engaged in a number of areas of
activity, including the fight against HIV-AIDS. Social dialogue can take advantage of
our practical experience in order to improve people’s lives at the national level.
Tripartite and bipartite mechanisms at the international level and successful
examples of it at national level might serve to establish such practices in countries
where the culture of tripartism is weak. A number of examples were given where
social dialogue, through negotiations, has produced substantial results in the
building, construction and forestry sector such as in the areas of forest certification,
occupational health, HIV-AIDS, and child labour. On these issues and others, it is
important that global action be combined with local action.
30. Social dialogue is important in the fight against poverty. In countries, where there is no culture of dialogue, there is no industrial peace, or simply peace, and civil conflicts destroy lives and employment. Social dialogue will thrive where there is democracy, good governance and political will. Solidarity and fair redistribution of wealth are essential. Tripartite structures at national level need to be strengthened and their decisions should be binding. In this context, all countries should ratify and apply Conventions 87, 98 and 144. The Agreement concluded in Niger by the Government and the social partners is a useful example in confirming that collective bargaining is the highest form of social dialogue. In the fight against poverty, it is important to take into account sustainable development and environmental conditions.

31. Support was expressed for trade unions pulling themselves together to build strong national trade union centres. Governments should provide a well-balanced legislative framework to promote tripartism, collective bargaining and social dialogue. The important work of the ILO Committee on Freedom of Association, whose composition is tripartite, has been emphasized and recognized by trade unions and employers’ organizations alike.

More and Better Jobs for Poverty Reduction:

32. This session focused on several aspects of the expansion of inequality. Gender inequality is widespread and multi-dimensional. Some aspects of the problem include:
   a) Higher unemployment rates for female workers;
   b) Concentration of women in work that is not paid and not included in measures of economic activity, such as home work and caring activities;
   c) The high proportion of females being paid below minimal wage levels; female formal employment is concentrated in occupations and sectors that are low paid and have poor working conditions (e.g. textiles);
   d) A disproportionate number of female workers are forced to accept work in the informal economy in order to survive, where wages and working conditions are extremely poor;
   e) In many countries women are discriminated against and often lose their jobs if they become pregnant;
   f) A disproportionate number of female workers have no access to social security.

33. Gender inequality has been exacerbated in many countries because of the effects of privatisation and reduced public spending on health, education and other social services. Reforms in public policies are required to reduce gender inequality and expand access of women workers to credit, land, and other resources. The promotion of financial independence for women is essential. Access to universal free education would greatly assist the reduction of gender inequality.

34. Trade unions have a major role to play in helping to reduce gender inequality. Most unions need to make their policies and programmes more attuned to the needs of
female workers. The election of more women into key leadership positions within trade unions should be an urgent priority.

35. This session also examined the relationship between growth, employment and poverty reduction. Economic growth was seen as a necessary, but not sufficient condition for poverty reduction. Countries that had significantly reduced poverty had combined growth with structural change. In particular, those developing countries that had expanded their manufacturing sectors and reduced reliance on the agriculture sector had performed best. In the best examples structural change of this nature led to higher incomes for workers, this in turn facilitated greater education, and the acquisition of higher skills leading to productivity improvements. In this way, a virtuous circle was generated.

36. The third topic reviewed in this session was income inequality. The ILO was urged to focus much more attention on the problems of widening income inequality and to provide policy advice to reverse these trends. Evidence showing that income redistribution is compatible with faster economic growth was cited. Policies that were suggested on income redistribution include suitable and increased access to social security minimum wages, a more progressive tax structure, land reform, low wage subsidies, and subsidies for basic needs. A gender approach has to be taken into consideration in formulating and implementing all these policies.

**Extending Social Protection to the Poor and the Excluded**

37. Poverty is the cruellest form of social insecurity. Today 20 per cent of the world’s population live in extreme poverty. Only 20 per cent of the world’s population has access to adequate social security and every year about four million children under the age of five die as a consequence of poverty. It would need only two per cent of global GDP to provide all people with basic social security. Most countries can finance this from their own resources. Some will need international transfers.

38. Extending social security can be achieved in three ways:
   a) Extending existing social insurance schemes;
   b) Introducing community based schemes;
   c) Extending tax financed public schemes;

39. In particular, for the very poor, the extension of existing insurance schemes might be difficult as they can hardly contribute. Community based schemes have clear limitations as they are often not able to fund the full costs of health care and there are very few examples of successfully scaling them up. Therefore, these two options need to be supplemented with tax funded redistributive public schemes.

40. Participants identified the following **Political challenges**:

   a) **Determining fiscal space**: Social security is instrumental for cohesion and hence for social peace in any society. It is therefore as much a productive factor
as a cost. It is a myth that there is no fiscal space for social security. There is a convincing case for investment in social security for societal development.

b) **Defining Priorities**: As resources are also always scarce, society has to define the priorities on how to address poverty most effectively. People who starve today cannot wait for economic growth to trickle down. Under these circumstances, putting social security into a provident fund to avoid old age poverty in 20 years might also be less efficient than investing in health care today. Some choices need to be made.

c) **Managing equality, inequality and solidarity**: Wealthy groups in society will always ensure additional social protection for themselves. The key policy question is the balance between income inequality, group solidarity, and universal solidarity. It is the degree of inequality that needs to be managed by public policies.

41. Providing social protection is as much an implementation issue as an issue of political will and vision. How to tax the informal economy in practice, and how to deliver services to people in the informal economy requires good public governance and new and flexible approaches that take the specific employment realities of informal economy workers and their families into account.

42. The discussion showed that on all three levels trade unions could play an essential role. In many countries, civil society at large and trade unions in particular are today not strong enough to defend and enlarge the fiscal space for social policies. This requires not only increasing mobilisation but also technical expertise to design adequate policies and to analyse and monitor public budgets.

43. The decision about priorities in social policies can only be fair, if all groups in society are represented and a fair debate can be conducted. Trade unions are in most cases representative organisations.

44. However, trade unions are sometimes themselves caught in the tension between group solidarity among their members and a broader concept of solidarity with all people in society and even beyond national boundaries.

45. The debate showed that universal coverage is possible, but the fiscal space can only be won through political will, capacity and participation of those currently disadvantaged. Trade unions, as workers’ representatives, will have an impact on the policy debates on national level, particularly if they are able to organise and represent an important part of the working population.

46. The technical expertise of the ILO should support trade unions in building up the technical expertise to engage in policy debates on sustainable and universal social protection for all. The ILO should help to build capacity for trade unions to analyse, benchmark and monitor the potential and performance of social security systems.
Trade Unions, the ILO and Technical Cooperation:

47. Participants engaged in a dialogue with the ILO (Department of Partnership and Development Cooperation (PARDEV)) and representatives of donors (Governments of the Netherlands and Sweden) on key issues regarding priorities of trade unions organisations to be matched with ILO and donors’ priorities and objectives for their inclusion in the ILO Technical Cooperation Programmes. From this dialogue came out a convergence of views between the three partners on what should be the challenges to be addressed by the ILO Technical Cooperation Programmes as follows:

a) Strengthening institutional and educational capacity of trade unions in the areas of freedom of association and collective bargaining, organising, child labour, gender equality, occupational safety and health at work, HIV/AIDS, Informal Economy and decent work for young people, Impact of IFIs’ policies on poverty, migrant workers, outsourcing, social dimension of globalisation, labour law reforms (including pensions schemes), research and policy analysis;

b) Increasing participation of trade unions in Decent Work Country Programmes and Poverty Reduction Strategies;

c) Mobilising resources with the involvement of trade unions organisations in donor countries and beneficiary countries with the support of the ILO.

48. With a view to ensuring that ILO Technical Cooperation works for workers and their organisations, it was stressed that it is necessary to design and implement good strategies including networking nationally, regionally and globally, consultations and exchange of information at all levels, assessing and analysing problems, designing and developing a results-based approach programme on the basis of strategic planning.

49. It has been recommended to pursue the dialogue between ILO, donors and trade unions within the ILO through ACTRAV and in the donor and beneficiary countries to make sure that trade union and tripartite priorities are the core of ILO Technical Cooperation programmes funded with ILO extra-budgetary resources and regular resources. In this regard, institutional mechanisms should be set up within the ILO, in beneficiary countries and as far as possible in donor countries to facilitate this dialogue.
Recommendations

50. Participants call on governments to:

a) Fully respect and promote workers’ fundamental rights to freedom of association and collective bargaining as a means of ensuring a fair distribution of economic growth and incomes.

b) Ensure the full implementation, at national level, of the Millennium Development Goals for which it is necessary for governments, inter alia, to increase their social sector expenditure.

c) Consider ways of mobilising additional resources for development aid, including through international taxation.

d) Reform public policies and to increase access of female workers to credit, land and other resources. Labour market and wage policies should be reformed to reduce gender inequality.

e) Ensure that the goal of employment intensive, pro-poor growth is pursued. The central role of decent work needs to be underscored in all IFI programs.

f) Put in place progressive tax systems, providing for fair contribution to their country’s economy of the different economic actors.

g) Initiate activities at national, sub-regional, regional and international levels in line with the recommendations of the World commission on the social dimension of globalisation, in particular concerning global policy concerns.

51. Participants call on International Financial Institutions to:

a) Ensure that their policies and programmes promote decent work and the implementation of international labour standards.

b) Engage in the policy coherence initiatives with the ILO, in close collaboration with trade unions, employer organizations, and ministries responsible for labour, and to recognize the importance of international labour standards as an integral part of IFI policy advice.

c) Guarantee the implementation of the pledges made by the G8 leaders concerning the total cancellation of the debt, to increase development assistance and to eliminate conditionality associated with loans.
d) Have the central objective of Decent Work and employment creation for poverty alleviation.

e) Expand the criteria for the IFI Country Performance Indices (CPI) to include human and trade union rights issues.

52. Participants call on the International Labour Office to:

a) Expand its advice and technical assistance on industry and trade policy reforms that are required to promote the expansion of the manufacturing sector in developing countries.

b) The ILO should significantly expand its research on the causes and consequences of widening income inequality. The ILO should also expand its advice and technical assistance on policies designed to redistribute income and reverse the widening income inequalities generated by globalisation.

c) Contribute to the strengthening of social dialogue at international level through better awareness and evaluation of the potential of Corporate Social Responsibility, in line with the Tripartite Declaration on Multi-National Enterprises and Social Policy.

d) Reinforce its work in the area of poverty and prioritise the reinforcement of the capacities of the social partners to ensure that decent work is central in PRSs.

e) Ensure respect for and regular tripartite revision mechanisms for minimum wages to ensure the maintenance of workers’ purchasing power.

f) Support the activities of sectoral trade unions in their efforts to promote collective bargaining at the industry level.

53. Participants call on the ILO Bureau for Workers’ Activities to:

a) Strengthen its economic advice to trade unions, in particular its “PRSP Programme”, through, inter alia, the strengthening of the institutional capacities of trade unions in the relevant countries and in a number of policy areas.

b) Promote better coordination and complimentarity in North-South trade union cooperation.

c) Develop a programme of work on “Organising” with the aim of supporting trade union organising and bargaining strategies and their institutional capacities at various levels.

d) Review and strengthen its Workers’ Education programme.
e) Work closely with trade union research, education and international departments to:
   ▪ analyse the differences between the World Bank and ILO technical cooperation
   ▪ to analyse the extent to which the policies of international financial institutions and the WTO coincide or contradict ILO’s policies

54. Participants commit trade unions to:

a) Improve policies and programmes to focus more on issues and services that are priorities for female workers.

b) Organize a global event to call attention to demands of trade unions in favour of decent work as part of the movement struggle against poverty.

c) Ensure a much larger proportion of leadership positions are filled by women.

d) Maintain the pressure on the IFIs, to ensure, in collaboration with the ILO, a rights-based approach in so far as the formulation, implementation, monitoring and evaluation of programmes are concerned.

e) Campaign at national level and demand full involvement in the PRSP process.

f) Continue to advance the role of trade unions in their active and direct contribution to defend the rights of all workers, particularly the poor and vulnerable working women and men in the world.

g) Actively campaign to ensure that the ILO objective of decent work is pursued at the national level.

h) Develop capacity training programmes to clearly establish the link between combating poverty and collective trade union action.

i) Develop specific activities and programmes to reach out to unorganized workers, particularly women. In this respect, attention should be paid to issues directly affecting women such as sexual harassment, maternity protection and equal remuneration. Measures should also be put in place to ensure that women have access to decision-making positions in trade union structures.

j) Promote good democratic governance and effectively fight corruption.

k) Develop programmes to address the specific concerns of rural workers, workers in export processing zones, and migrant workers in an effort to organize them.
l) Micro credit and micro insurance schemes should be developed by trade union for workers in the informal economy, but without losing the goal of establishing a fully-fledged universal social protection system.

m) Work on a tripartite basis, and with other organizations involved in the informal economy, who share independent democratic values.

n) Contribute to efforts aimed at establishing cooperatives as sources of employment for vulnerable groups of workers, with a view to lifting them out of poverty and promoting their rights.

o) Place poverty on the agenda of social dialogue (bipartite and tripartite) in the various countries.

p) Develop new and innovative ways to help workers organize and join trade unions.

q) Disseminate the Report of the World Commission on the Social Dimension of Globalization and mobilise support for the full implementation of its recommendations.

r) Actively encourage young workers to join trade unions.

Geneva: Friday, 21 October 2005