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OECD
Address to the International Labour Conference
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Chair, I am glad to have this opportunity to address the Conference on behalf of the TUAC that groups the 55 union centres in the OECD countries and is a partner with the ITUC and the Global Union Federations in the Council of Global Unions.

This conference is taking place at a critical time for workers through out the world. It is all too clear that the financial crisis that has spread from the United States risks becoming the most serious economic crisis since the 1930s, dragging economies into recession, putting workers on the dole queue and slowing growth globally. This is compounded by the unprecedented rise in fuel and commodity prices and the resulting food crisis in developing countries that will discussed here at the ILO tomorrow.

These interrelated crises come on top of the shocking surge in inequality over the past two decades. The growing disparities in wealth and the polarisation that is taking place in the global economy are neither morally defensible nor economically or politically sustainable. The benefits of globalisation are accruing to a few at the top of the income scale whilst the overall share of wages in national income has been falling as never before in history. Inequality of incomes has been rising in 17 out of 20 countries surveyed by the OECD. There is also a disturbing rise in inequality in developing countries, hindering poverty reduction strategies.

It would be wrong to lay all the blame for this situation at the door of globalisation – there was a shortage of decent work before the current acceleration of inequality – however one fact about global supply chains that according to some business leaders have replaced multinational enterprises as the dominant form of business model – is that it has given employers and investors an exit option in any country. We see increasing threats by employers to relocate activities to other countries or engage in regulatory arbitrage. With financial globalisation we also see the growing pressure for short-term profit from “new financial investors” such as private equity and hedge funds. These are militating against long term value creation, decent work and sustainable development.

Confronting this growing inequality as well as the need to link employment strategies for “green jobs” with the struggle against climate change were the central challenges that the global trade union movement presented in our statements to meetings of the G8 Labour Ministers last month in Niigata and to OECD Finance Ministers last week in Paris.

Regrettably we found too little of these concerns in or refence to social justice in the conclusions of those meetings. But I congratulate the ILO on the strong declaration on “social justice for a fair globalization” that has been adopted unanimously by this Conference. The Declaration includes progressive and clear language on workers fundamental rights. The right to organize is basic human right – but we also know that when workers are free to form unions this is a key part of the solution to growing inequality – where unions exist and bargain there is less low pay, more secure work, less corruption often more efficient

economies and certainly more just societies. But the declaration is about more than just words – however good they may be, it also sets out a strategic vision of how to engineer change in the global economy by ensuring that the ILO’s objective of “decent work” is generalised within the global governance institutions.

Unions have our own responsibilities to organise the new global labour force and we are responding at the international level as shown by the acceleration in the negotiation of the now 50 plus International Framework Agreements with multinational companies.

However we also need action by governments. ILO core labour standards must become an international benchmark applied through different international institutions – the IMF, World Bank, WTO and the OECD. Governments have to work on the effective regulatory response that includes enforcement of workers rights in trade agreements, international agreements on taxation and more binding rules on corporations to respect workers rights. It was a step forward that the G8 in Heiligendamm last year called for implementation of the Decent Work Agenda and workers rights to be respected by WTO members and in bilateral trade agreements. The G8 leaders in Hokkaido next month must keep the momentum of progress.

Also I feel that it is now time to move forward with a new and updated cooperation agreement between the ILO and the OECD. This should cover the progression of decent work through the OECD Development Assistance Committee’s recommendations on aid.. It should also ensure that existing OECD countries respect workers rights to organise – as well as insisting that new members who are now in accession negotiations with the OECD should respect these. It should include more effective application of instruments such as the OECD Guidelines for Multinational Enterprises. We want to work with companies to ensure that the Guidelines are applied more effectively in regions such as China and with governments to develop more effectively operating National Contact Points–still too few of which do their job properly. The high level round table between the OECD and the ILO to be held in two weeks time in Paris gives us a major opportunity to move cooperation forward.

Chair, in TUAC we look forward in the weeks and months ahead to reinforcing our work with our global union partners to apply your Declaration that has been adopted today. We can make a difference and ensure that one day, no one, no one will be denied the right to join a union or to have a decent job or fear for the future of their children.

Thank you.