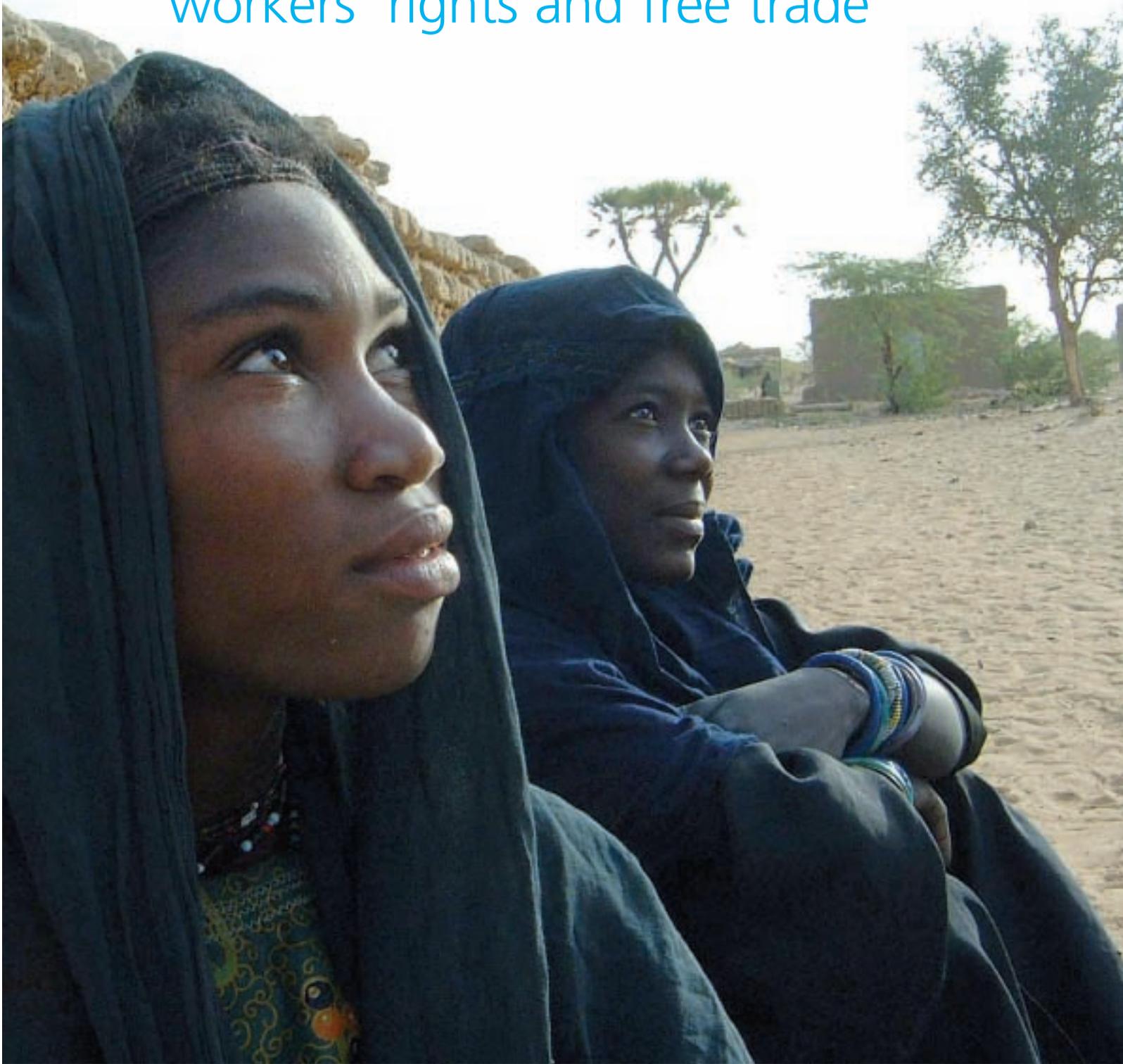


Action for Change

workers' rights and free trade





Introduction

With the World Trade Organisation (WTO) 6th Ministerial Meeting in Hong Kong, from 13 – 18 December this year, the Irish Congress of Trade Unions (ICTU) Global Solidarity project is working to further trade unionists' understanding of the issues involved, with a view to mobilizing action for change. The project has been a strong member of the Make Poverty History campaign, North and South of the island, throughout the year, and is determined not to let momentum fail in the final two months of the year.



Brazilian Miner: Open-cast mining is carried out in remote rural areas, where there are no labour inspectors to check what protections the workers have



What is Globalisation?

Globalisation is simply a descriptive word meaning the spreading of something over the entire world (or 'globe') but it has come to mean much more than that. In particular, it refers to the rapid economic changes that we are all experiencing in many areas of life, but particularly the way Western companies are rapidly opening up partners and subsidiaries in new countries.

Economists use the term to talk of integration of markets in goods, capital and labour. We are all familiar with the closing down of firms and jobs here in Ireland and the opening up of the same firms and jobs in countries with much lower labour costs – call centres opening in India, textiles jobs being created in a whole swathe of countries, and just about every employer in the world dreaming of having the opportunity of producing goods and services in China's exceptionally low-wage economy.

Ireland has benefited from some aspects of globalisation – indeed, we were very quick off the mark to 'capture' telephone call centre work from much more expensive countries such as Denmark, France and the US back in the 1980s. But we have also begun to see the dangers of an uncontrolled 'race to the bottom' in terms of wages and salaries, with employers always seeking to threaten workers here in Ireland with the competition of cheap labour prices elsewhere in the world. And there have been some negative results – for example, the loss of textile jobs from Northern Ireland, and the 'poaching' of call centre jobs to even cheaper locations, such as India and Eastern Europe.

And, just as there have been gains and losses for Ireland, so there are gains and losses for all

of us as individuals: as consumers, we may benefit from ever lower prices for our clothes, DVDs, iPods, mobile phones, kitchen appliances, and so on, but we also may be on the losing side if and when our jobs become threatened by the cheap labour mentality that some employers seem to have.

The trade union movement in Ireland has to balance these pluses and negatives in order to have a full and proper picture of just what globalisation is and can be. Essentially, the Global Solidarity project, working on behalf of Congress, considers globalisation to be a series of opportunities as well as threats, but the opportunities can only be realised if and when working people have the same rights and the same importance in economic decision-making as management now does. And solidarity has to be the key: just as workers in one sector of the Irish economy shouldn't be indifferent to the plight of workers in another sector, so we should remember that threats and opportunities for Irish workers are related to the circumstances that workers face in Central and Eastern Europe, in India and China, in Brazil, South Africa and Bangladesh. To channel globalisation in to positive paths means we have to 'think globally and act locally'.



The World Trade Organization (WTO)

The WTO is the body responsible for bringing together governments and employers interested in defining the arrangements by which trade between different countries is managed and controlled. Unfortunately there are a number of areas where the WTO is simply lacking in proper practice and is unable to perform its role - of regulating international trade - properly or acceptably.

The WTO lacks legitimacy in that it allows each country to send as many representatives as it wishes to defend its interests – which means that poor countries can usually only afford one representative whilst a country such as the US or a trading bloc such as the European Union have literally hundreds of people defending the interests of their business communities. It claims to work according to the principle of ‘one country, one vote’ but this is only a fiction as different countries have different strengths: poorer countries are instantly punished by their inability to field enough people at all the meetings of the WTO and its many committees and sub-groups. To assume that the people of Tuvalu (population: 11,363) and of China (population: 1.2 billion), or of Ethiopia (per capita income: \$120) and the USA (per capita income: \$40,100) have similar interests to defend when it comes to trade is just nonsense.

The WTO is not a part of the United Nations family of agencies – such as the International Labour Organisation (ILO), the children’s fund UNESCO, the World Health Organisation, the United Nations Development Programme, and all the other socially useful programmes and agencies. As such, it is an organisation that the trade union movement again considers to be illegitimate, because it discusses economic arrangements without engaging in dialogue with working people’s representatives.



Kenyan Rag-picker: Sifting through the leftovers is the only future that awaits thousands of youngsters who have been unable to go to school



The WTO works, in theory, to promote trade that is free, smooth and predictable. But in its insistence on getting trade deals signed between different countries, it has ignored fair trade, focusing on free trade to the exclusion of almost everything else. Many people and organisations argue that the WTO has developed a consensus – of politicians and business interests alike – that pushes for the theoretical perfection of utterly free trade and ignores the reality of different countries' and communities' trade interests. It doesn't conduct impact assessment – to see what the real effects of a particular trade policy or decision are – and it doesn't do anything to help people and groups to adapt to the changes that globalisation can bring to their lives, often very abruptly indeed.

The WTO has an overriding vision of free trade that takes policy-making decisions away from a country's national elected government and places them in the hands of unelected civil servants and business groups. This means that increasing numbers of national governments come to power unable to carry out their national mandates because of decisions taken elsewhere. Countries are also constrained in

their freedom of manoeuvre because of decisions imposed on them by organisations such as the World Bank and International Monetary Fund (IMF), which often follow a similar ideology as the WTO in insisting on the privatisation of public services, or limits to public expenditure, and so on.

Above all, the WTO doesn't see people involved in producing goods and services as anything other than a commodity. The trade union movement worldwide condemns the WTO's view of labour as merely one more cost, to be considered alongside costs such as rent, transport, electricity or raw materials. Working people are members of communities, engaged with families and friends to help society grow and achieve decency; workers have fundamental rights; equality between men and women is now an internationally accepted status; good working conditions, social protection and access to good quality public services are other rights that working people have throughout the world. The WTO, however, in its single-minded pursuit of free trade, ignores the entire 'decent work' agenda of issues that trade unionists consider important.

Uganda: not a good example

The Government of Uganda is held up by many Western leaders as an example of an enlightened government which encourages democratic and open governance throughout the country and, in return, has been rewarded with strong economic growth. However, a survey conducted by the International Confederation of Free Trade Unions (ICFTU) shows that Uganda is far from the success story that some Western politicians are claiming. In companies such as Tristar, for example, which produces clothing for the US supermarket giant WalMart, there are widespread abuses of human rights against the labour force, most of which is female, with violence and humiliations including timed toilet breaks. At the Southern Range clothing factories, workers are asked to put in straight shifts of up to 30 hours at a time in order to 'enjoy' wages of less than \$1 a day. The Ugandan President himself, Yoweri Museveni, has boasted of how he ordered the sacking of striking women factory workers because he feared their action would discourage foreign investment. Major international supermarket chains claim that they regularly arrange to have inspections of labour forced conditions in the factories that produce for them, but ICFTU research details how the 'independent' inspectors are not able to speak to the workers who have been intimidated and cowed by the management into not communicating any of their grievances to the inspectors.

Drawn from an ICFTU trade union briefing document available at www.icftu.org



Sugar-cane Cutter in Bolivia: With conditions as dangerous, unhealthy and dirty as these, should our Governments be giving money to the big multinationals or helping rural workers?

Unfortunately, whilst the loss of jobs in rich countries is in itself a serious problem for the workers who lose out there, in poor countries too there are often very negligible gains from globalisation: the workers are not well-paid, nor are they in secure employment with decent benefits and adequate levels of social protection. (See accompanying box on Uganda) What is important is that workers throughout the world should have decent working conditions and in this the Irish trade union movement follows the ILO policy of campaigning for decent work wherever there is

an opportunity of job-creation or job-maintenance.

Without significant and fundamental reform of the WTO, globalisation as it is currently being practiced cannot be 'managed' for everybody's benefit, because not everybody is engaged in the relevant decision-making processes. If the trade union movement can become a partner to help the WTO, then working people will engage in a dialogue to manage the process, to everyone's benefit. But if we continue to be excluded, then we can only oppose the current trends in globalisation.



What's so important about Hong Kong?

The year 2005 has seen an unusual focus on poor countries, as richer countries strive to calm potential terrorist threats and stem immigration flows that could become unmanageable. Ireland, the UK, the EU and the US have all tried to place Africa, for example, higher up the political agenda. And the trade union movement has successfully joined with charities and NGOs in calling for much greater help and fairness for poorer countries.

The publication of the report of the Commission for Africa in March, the UK's presidency of the G8 countries in the first half of the year and of the EU in the second half of the year, the 'Millennium + 5' conference in New York in September (where countries reviewed progress on the Millennium Development Goals) – all these major events have seen the plight of poor countries highlighted.

And, indeed, much has happened that is positive. Both the G8 and the EU have agreed to recommend to the World Bank and the International Monetary Fund that some of the

poorer countries' debts be simply cancelled. A considerable number of states have promised to offer greater levels of development aid to poorer countries – and the Taoiseach recommitted Ireland to an ODA (Official Development Assistance) figure of 0.7% of GNP by 2012. So, in spite of setbacks and disappointments, a number of positive steps have been taken already this year.

But Hong Kong represents the biggest remaining challenge: in Hong Kong, the World Trade Organisation's 6th Ministerial meeting will take place, at which every nation will be able to



A farmer's hands in Niger: No protective clothing is just the most obvious sign of no social protection available to workers across the world



Nepali Farmer: Eroded soils and poor farming implements are bad enough, but international trade rules hurt farmers in poor countries even more

contribute its vision for the future of world trade but at which decisions will be taken that could keep poor countries enslaved in current unfair trading practices. The trade union movement wishes to use the WTO meeting to go beyond the debt and development issues so far campaigned for and to tackle trade justice – perhaps the most important issue of all, in the fight for greater international equality and an end to poverty. We aim to urge all governments and business interests to concentrate on strategies for improving trade flows for poorer countries and for managing all trade flows in ways that take account of people in their everyday circumstances.

The WTO has already failed to deliver any significant changes to the very liberal trade rules that currently govern the world trade system and which inhibit poor countries from working and trading their way out of poverty. In previous meetings in Seattle (1999), in Doha (2001) and in Cancun (2003), the WTO was unable to offer developing countries a trading system that recognized their special needs and difficulties,

thus effectively barring their route out of poverty. This time, development considerations have to be addressed – and resolved – and the mood of much of the international community has changed, becoming much more vocal in its demands for justice and equity as well as transparency, partnership and democracy in the WTO.

Export processing zones (EPZs) have been promoted as the way for poor countries to get rich quick: they open up a special area where only minimal national laws and taxes are applied, where workers have no significant rights to organisation, and where foreign companies can come solely to exploit that nation's cheap labour supplies, without putting anything in to the country and without guaranteeing any transfer of technology or any move up the ladder of production away from low-cost, low-value items towards high-cost, high tech items. Once again, the WTO has been too keen to encourage free trade at all costs, and the costs to poor workers in developing countries have been unbearable.



An agenda for Hong Kong

Thousands of people will be travelling to Hong Kong in December for the WTO meeting, each with their particular agenda. The international trade union movement, after lengthy consultation, has agreed a position on all the key issues. The Global Solidarity project firmly supports these positions.

Decent work

Topping the trade unions' agenda for Hong Kong has to be the 'decent work' programme that the ILO has already endorsed as the best way forward for a fairly managed global system of trade. According to the ILO definition, decent

work comprises employment, respect for rights at work – including trade union rights to freedom of association and collective bargaining - social protection and social dialogue.



Brazilian Labourer: 'Indecent work' reflects the indecent world in which we live, but which we can change by acting together



Fair Trade: a fair day's pay for a fair day's work

Irish trade unions fully support the International Labour Organisation's campaign for decent work. This is a carefully worked-out series of activities and awareness-raising to emphasise that workers and the environment are just as important as business. There should be a 'triple bottom line' – that is, a concern with the social and the environmental as well as the economic. The ILO campaign works around eight key Conventions which define labour standards. These Conventions cover such important issues as the right to freedom of association, collective bargaining over terms and conditions at work, the prohibition of child labour and forced labour, and an end to all forms of discrimination at work. It is only in the context of a global system of rules, managed and monitored by a UN agency that is impartial and inclusive of all parties, that globalization can be shaped and directed to achieve social goals for workers, and environmental goals for communities and future generations, as well as business goals for managers and shareholders. Globalisation is not a technical issue about the efficiency of capital: it is a vital human aspiration for justice, to share the fruits of enterprise and solidarity.

Public services

A number of public services have become the target of private interest groups, especially in rich countries. Housing, transport, health and education were once – just after WWII - primarily the preserve of the public sector but since the late 70s and early 80s they have been increasingly 'opened up' to private capital. Whether the shareholder's profit motive should take precedence in all cases over the full range of stakeholder interests is a point of view challenged by most people, especially trade unions and other civil society actors. Within the last 10 years, however, a number of rich countries have tried to impose their view of a 'liberal' partnership between public and private sectors on poorer countries, where the results have generally been very negative, as the legal and monitoring systems have been inadequate to stop private interests damaging public interest issues, such as access, affordability and universality. We propose a full gender, development and employment assessment of trade in services before any international agreements are launched.

Agriculture

Apart from the issues of dumping, subsidized home production and restrictions on imported produce, agriculture poses a number of difficult questions. Throughout the world, agriculture offers only low paid jobs to the vast majority of its employees; conditions are often dangerous and unhealthy, as well as insecure, dependent on the weather or on the availability of credit from unscrupulous money-lenders. The issue of 'green miles' – of foodstuffs being transported round the world at great cost to the environment in order to give a small number of consumers in rich countries access to out-of-season fruit and vegetables – is neither justifiable nor ecologically sustainable in the long term. ICTU is working to address a range of related issues, including security of food supplies, rural countryside management, supermarket dominance and decent work on farms.



Non-Agricultural market Access (NAMA)

As well as the problems raised by rich countries to poor countries' agricultural exports, there are a number of non-agricultural issues. It is well-known that cocoa beans can be imported into many rich countries with almost no import duties, but that, as the product undergoes processing to add value to it (for example, making cocoa butter, cocoa mass, cocoa and drinking chocolate, and sophisticated chocolate-based confectionary), so the level of import duties rise. It has been proposed that tariffs should be cut disproportionately, so rich countries would cut their higher tariffs more

than the poorer countries would cut their generally lower tariffs. But that would lead to a rapid spate of job losses with serious social disruption in many countries. Additionally, in poorer countries it would mean a dangerous loss of income – some island economies derive up to 50% of their total national income from such tariffs, for example. ICTU is working with Governments and other partners to ensure that no decisions are rushed on this issue and that health and safety, job security and impact assessment measures are taken to analyse exactly how such reforms would affect society.

Cambodia: the Empire has No Clothes

Clothing in Cambodia is very important, accounting for 80% of exports and 65% of the industrial labour force. For many years, Cambodia built up its reputation as a quality producer by insisting on decent working conditions for its very poor textile workers. With the rise of Chinese textile competition, however, Cambodia has suffered severely. Its minimum wage of \$45 a month is less than what observers estimate is needed to live decently and support a family but it is better than the \$28 a month many civil servants have to take home and, with a lot of overtime including working 7 days a week, workers can take home perhaps \$70 a month. Employers within Cambodia – and Western purchasers in firms such as Nike, Gap, Adidas, Dockers, Wranglers and others – are increasingly putting pressure on workers to accept lower pay and worse working conditions, always with the same threat that 'China is just around the corner'. Given that an ILO Agreement has helped Cambodia develop a comparative advantage on the quality of its labour force and the standard of their working conditions, it is terrible to see how globalisation – the new imperialism – is being used to encourage a 'Race to the bottom' in terms of pay and conditions of work.

Drawn from an ICFTU Trade Union World Report, April 2005.



Fighting Poverty through the GCAP

One of the main achievements of the Make Poverty History campaign so far this year has been to place the plight of poor countries higher up the political agenda. More people are now aware than before that poor countries need not just charity but help to develop decent jobs from which their workers can earn adequate wages and from which the countries can earn appropriate levels of funding so that governments can do for people what they were elected to do. Nevertheless, there remains a great deal of work to do to ensure that poverty really does become history – or, at least, afflicts far fewer people than it does today. The Global Call to Action on Poverty (GCAP) is the major alliance to which the Irish trade union movement is attached and through which we work towards this goal. GCAP has been responsible for coordinating the Make Poverty History campaign, which itself is a part of the White Band Day campaign.

Reforming the WTO

The reforms that the WTO need to undergo are also important priorities for us but, until we are accepted as partners in social dialogue, reform of the WTO internal structures and working practices has to be addressed outside the WTO meetings – in the media, with our national and local politicians, with the NGOs that are interested in development issues, and with church groups and community interests already working for a rights based approach to international issues of poverty and exclusion. For example, the biggest threat currently is the fact that China disposes of a labour force in excess of 600 million people, all of whom are desperate to get work and improve their life chances and are thus prepared to take whatever wages are going. Coupled with the refusal of the Chinese authorities to allow any form of

collective bargaining (including free trade unionism), and following 50 years of the utmost oppression and despotism in China, it is clear that Chinese economic production is not on a level playing field when compared to what people in more democratic countries earn. So the WTO's refusal to respect countries' differences is causing positive harm.



Mining Family in Brazil: Looking like people from 'The Grapes of Wrath' in the US 70 years ago, these people mirror the conditions of far too many people in the world today



What you can do

As individual citizens, consumers or trade unionists, we can all do something to influence our leaders to take the issues of world poverty seriously.

It was mass action that encouraged the G8 and EU leaders to agree in June and July to recommend to the IMF and World Bank the cancellation of significant amounts of debt owed by poor countries to those institutions. The same mass activism resulted in the G8 and EU leaders agreeing to increase their levels of aid to poor countries. What is required now is to continue to lobby and campaign for more action in support of fairer trade rules so that poor countries can trade their way out of poverty. To do this, you can:

- Send a Christmas card to the Irish Prime Minister, Bertie Ahern, urging him to put all Ireland's weight behind the efforts of trade unionists and concerned development NGOs to ensure that the WTO delivers a fair and just agreement in Hong Kong in December – an agreement that recognizes the rights of poor countries to define their trade policies according to their country's needs. You can download a copy of this card from www.makepovertyhistory.ie or from the Irish Congress of Trade Unions' dedicated website on Global Solidarity www.ictuglobalsolidarity.org
- In the North of Ireland, write a letter to the Minister in charge of the UK Department of Trade and Industry, Alan Johnson, asking that the UK use its influence as the current President of the EU to push for a fairer and more development-focussed outcome from the Hong Kong talks. Get a standard letter, that you can then put into your own words, from www.ictuglobalsolidarity.org
- Talk to your friends and colleagues, telling them about the need for all of us to understand more about the world trading system and how it currently punishes poorer countries, and how it can and must be changed. To do this – and to do this well! – you need to arm yourself with up-to-date facts and arguments. Why not make www.ictuglobalsolidarity.org a favourite webpage, so that you can keep abreast of the latest ideas, news and arguments in favour of fair trade, debt relief, poverty alleviation and international justice?
- As well as talking the talk, you could try to walk the walk! How much of your own everyday behaviour helps or harms people in poor countries? Do you try to buy fairly traded products, so that producers in poor countries get the very best possible trading terms when they sell to large distributors in Europe and the US? To help you change your lifestyle towards a more sensitive and producer-friendly position, the Irish trade union movement now offers you the opportunity of buying fairly traded clothes and footwear from the No Sweat label – a firm dedicated to ensuring that workers' rights in the producer countries are clearly flagged and consistent with very best practice, that is monitored by trade union and ILO representatives. Look for the link to their online store at www.globalsolidarity.org