

TUAC trade union advisory committee to the
OECD organisation for economic cooperation and development
■ CSC commission syndicale consultative auprès de
OCDE l'organisation de coopération et de développement économiques



TUAC

1948 - 1998



Proceedings of the
50th Anniversary
Symposium

**TRADE UNION ADVISORY COMMITTEE
TO THE ORGANISATION FOR ECONOMIC COOPERATION AND
DEVELOPMENT
(TUAC - OECD)**

Founded in 1948 as a trade union advisory committee in connection with the European recovery programme (Marshall Plan), the Trade Union Advisory Committee (TUAC) to the Organisation for Economic Cooperation and Development is an international non-governmental organisation having consultative status with the OECD.

It groups some 55 national central organisations of trade unions representing 70 million workers in the 29 OECD member countries: 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, Sweden, Switzerland, Turkey, United Kingdom, United States.

Through regular consultations with various OECD bodies, it coordinates and represents the views of trade unions to governments of industrialized countries. It seeks to ensure that economic policies aiming at growth also aim at full employment and improved social welfare, safeguarding the interests of working people in the formulation of economic strategies.

Recent TUAC publications and statements are available on the TUAC Website or on request from the TUAC Office.

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FOREWORD

In 1948 trade unions from Europe and North America met at Selsdon Park in the UK to discuss their response to the offer of Marshall Aid by the United States to Western Europe. The participants at the meeting decided to play an active role in the Marshall Plan and created a Trade Union Advisory Committee (TUAC) to liaise with the Marshall Plan institutions, notably the OEEC. With the replacement of the OEEC by the OECD in 1962, TUAC was recognised as the representative body of organised labour in the OECD countries and given consultative status.

Since that time TUAC's membership has grown to cover over 70 million workers in the OECD countries. It plays an active role in the international labour movement alongside the main international trade union confederations, notably the ICFTU and the WCL and the International Trade Secretariats. It provides a unique forum for debate and source of ideas for international labour's response to globalisation and a channel for trade union thinking into government's policy dialogue in the OECD and G8.

To mark this 50th Anniversary, TUAC held a seminar on 20 November 1998 at the OECD Headquarters in Paris on the theme of "International Labour and Globalisation". The seminar both looked back at the history of the OECD and TUAC and looked forward to the new challenges likely to be facing international labour and the world community at the beginning of the new millennium. The seminar was attended by some 160 participants coming from TUAC affiliates, the international trade union organisations, OECD governments, OECD secretariat and TUAC. But it also brought together many of the former staff, officers and those involved with TUAC over its 50 years.

This report reproduces the main interventions made at the seminar in Part I. Part II reproduces a short history of TUAC written by Peter Gaskell, former Press Officer of the OECD.

Danish Premier Poul Nyrup Rasmussen and former European Commission President Jacques Delors were among keynote speakers. A former chairman of TUAC's economic policy working group, Poul Rasmussen drew on his wide trade union and political experience in a speech emphasising the social dimension in globalisation, and stressing that "it pays to co-operate". Jacques Delors developed three main points: *i*) globalisation had so far primarily benefited leading industrial countries, and needed to be reshaped more equitably under the surveillance of what he called a new "world council for economic security"; *ii*) if globalisation was not to become a "rudderless ship", it was important to establish rules of the game; and *iii*) the building of a strong regional dimension to the global economy was essential.

TUAC President Bob White emphasised the importance of the social dimension in the global economy and the need “to harness markets for social good”. TUAC’s role at the centre of the global debate within the OECD forum was vital in working towards the goal for ordinary people of a “sense of security and a stake in the outcome of the debate on change”.

ICFTU General Secretary Bill Jordan described the close TUAC-ICFTU collaboration, and stressed the importance of the role played by free trade unions in the world economy. Another speech delivered at the seminar by Barbara Shailor, International Affairs Director of the AFL-CIO, on behalf of President John Sweeney, said: “In the debates over the last quarter century, TUAC got it right. We warned about the peril of deregulation without accountability. We warned of the folly of sacrificing full employment in a fight against inflation. We warned that without labour rights and environmental protections, a global race to the bottom could bring everyone down”.

The seminar’s two sessions focused, respectively, on lessons for the international labour movement in past waves of globalisation, and, secondly, how to prepare the trade union agenda in shaping the future development of globalisation. Robert Taylor of the Financial Times acted as a rapporteur provoking discussion throughout the two sessions. In the conclusions it is emphasised that globalisation is after all a man-made development, and unions have a clear opportunity to shape the policy agenda. Four main areas are stressed *i)* core labour standards and working conditions, *ii)* security and safety in employment standards, *iii)* the goal of employment growth, and *iv)* the continuing importance of the role of national governments given the 30-40 per cent share accounted for by the public sector in OECD economies.

As the concluding remarks point out the OECD can and should have a central role to play as a forum for debate and implementation of these policies. It has to change its image from being a general “cheerleader” for deregulation. The Anniversary Seminar was an important step in TUAC’s efforts to make sure that it does.

John Evans
General Secretary of TUAC
January 1999

Part I

Proceedings of the Seminar
(Paris, 20 November, 1998)

Session I

OPENING

“Relinking Economic Development and Social Progress”

Bob White
President of TUAC
President of Canadian Labour Congress

Anniversaries are times for looking both forward and backward. Much has changed since an earlier generation of labour leaders decided to create TUAC as an input to the Marshall Plan institutions. Devastated wartime economies have become rich and powerful countries. By and large, in the OECD area, democracies have flourished over authoritarian regimes and the divisions of the Cold War have spectacularly disappeared over the last ten years.

But many things have not changed. Unemployment, the experience of which from the 1930's was central in the TUAC founders' minds in 1948, still stands at 35 million in the OECD. Poverty is now reappearing as a mass phenomenon in many of our societies. Inequality between rich and poor is increasing, both inequality between nations and within nations, with large parts of the world left out of the “affluent world society”.

So, our objectives today are not that different from our former colleagues who met in Selsdon Park outside London in 1948 and created TUAC. They are to ensure that the enormous wealth and prosperity which economic development, new technology, trade and investment can create are harnessed in a way that raises living standards and produces jobs and growth with equity.

The global economy needs a social dimension and a framework of rules to harness markets for the social good. The shocks from the Asian crisis, the continuing instability of financial markets and the real risks to growth and employment in the current situation, which the latest OECD Economic Outlook drew attention to earlier this week all show the need for sensible rules and regulations. We in TUAC believe that the OECD must be at the centre of this debate and help relink economic development and social progress.

If I can speak as a national union leader for a moment instead of as the President of TUAC, I have found most use from TUAC over the last decade as a listening post from which I frequently receive information on what is about to confront me at a national level. There have been economic fashions, which have often

meant pain and insecurity for my members. Attacks on social security systems, attacks on unions or unemployment benefits have often seemed to come from ideas that the OECD has been propounding such as labour market flexibility. That perception has inevitably put us on the defensive.

But I believe there is a new agenda forming which seeks to manage change by giving ordinary people both a sense of security and a stake in the outcome of change and which allows us to shape markets and not accept as given anything that markets produce.

Some of these ideas we can discuss this morning, even though there are bound to be disagreements between the OECD and TUAC just as there are between governments, unions and employers. I detect that there is a greater willingness on the side of OECD and some governments to bring our voice into this "battle of ideas", for which the OECD provides a unique forum. The labour movement invests in TUAC precisely because we realise we have to be a central part of these debates and we will continue to do so.

I would now like to ask Mr. Schlögl to say a few words on behalf of Don Johnston, who we know for very understandable reasons could not be here today, before we move to our first main session.

“Open Markets and Open Societies go Hand in Hand”

Herwig Schlögl
OECD Deputy Secretary-General

Let me first apologise on behalf of Don Johnston, who very much wanted to be here to open this Anniversary Symposium, but had to go back to Canada because of a tragic accident in the Trudeau family.

It is a great honour for the OECD Secretariat and, of course, for myself to join you in this Seminar marking the 50th Anniversary of the Trade Union Advisory Committee to OECD. We all know that this Organisation started with a vision formulated by George Marshall – symbolised here in the Chateau by the George Marshall Room – a vision of rebuilding Europe. Today OECD's vision lies partly in its contribution to the rebuilding of global economic co-operation after the breakdown of the Communist regimes. This new vision, which remains fundamentally economic, has to take into account the need to develop and maintain social cohesion in our societies.

We are, as the Chairman has said, meeting in a time of tremendous change – not only in our own countries but, even more dramatically, in the non-OECD world. We have all come to describe this process as globalisation, and we know that globalisation creates opportunities as well as uncertainties. One of the main tasks of this Organisation is to help governments understand this process more deeply, and hence design policies that will enable us to enhance opportunities, and to reduce uncertainties. In this context, we must realize that there is no alternative to growing global interdependence through trade and investment, and the free movement of people and information. Open markets and open societies go hand in hand. OECD and its Member governments have a responsibility to ensure that this process of growing interdependence does not divide our societies between winners and losers, and does not divide the world between the rich and the poor.

I believe these are the fundamental issues OECD and TUAC have to deal with together, through the classic, patient process of co-operation. Certainly, there will not always be agreement on either the analysis or the policy prescriptions, but this tension is a creative one, and the OECD Secretariat remains firmly committed to continuing this dialogue. Let me give you one example in which this co-operation has already produced major results. The key policy challenge in OECD countries is unemployment, in particular how to tackle long-term, structural unemployment. Working together and learning from each other, OECD countries have developed active policies that seek to be much more creative than simply welfare for the sake of welfare in the provision of active support to help the unemployed back to work. This is quite a different concept from that of the social safety net – essential though that is. OECD has moved from talking about unemployment to a concept of

employability. This is a major shift, from passive welfare policies to active labour market policies, and on that we have reached a broad consensus.

I am sure today's seminar will be a valuable contribution to these issues. In the face of the tremendous pace of change in today's world, there is more than ever a requirement for 'joined-up thinking', and for 'joined-up action', and that is what the OECD and the TUAC relationship is all about.

Session II

PAST WAVES OF GLOBALISATION AND THE OECD: LESSONS FOR THE INTERNATIONAL LABOUR MOVEMENT

“It Pays To Co-operate”

Poul Nyrup Rasmussen
Prime Minister of Denmark
Former Chair of TUAC Working Group on Economic Policy

I am delighted to be here, not only for nostalgic reasons, given my past association with TUAC, but also to assure you that even if one changes one's job one does not forget lessons learned, friendships made, and the importance of the TUAC endeavour.

There are good reasons to celebrate this 50th anniversary of TUAC. It is important that international trade-union organisations formulate high quality policy advice and develop high quality arguments, and direct both to the highest possible level. This is TUAC's primary mission. In today's world, it is not the level of noise you make that counts, but rather the quality of the arguments you present.

One of TUAC's important roles is to be a watchdog and inspiration and, as such, to make sure that policy-makers and economists do not forget society's most important challenge, namely to improve living conditions for all citizens and to encourage job creation, to maximise wealth and to minimise unemployment. To that end, TUAC has historically made important, very important, contributions to the way we all think about economic policy.

Not that long ago, at the beginning of the 1980s, I took part in TUAC's work as Chairman of the Working Group on Economic Policy. During that period, I also chaired a working party which produced a report entitled “It pays to co-operate”*. Now, everybody can agree with that on a theoretical level, but when it comes to the points and the arguments, we had some difficulties. Imagine the situation. It was in the aftermath of the two oil price shocks – which had had dramatic effects on all OECD countries. We saw an explosion in unemployment. Millions lost their jobs and their self-esteem and were unable

* “It pays to co-operate”, Nordic Federation of Trade Unions, Stockholm, 1983.

to make their contribution to the development of our societies. As a matter of fact, it was from that point that the concept of long term unemployment was born. Many of those who lost their jobs never regained them.

The effects linger. One major reason why we have such high unemployment in Europe, and elsewhere in the world, today is the lack of a co-ordinated response by governments to the two oil price shocks. At that time, the question we asked was, how can we avoid fuelling high and rising unemployment?

Our answer was clear. Countries should avoid national strategies that push their problems onto neighbouring countries. That was a recipe for failure. In 1974 and 1979, each country had a national strategy and did not look at its back, *i.e.* at its neighbours. What we saw, especially after 1979, was a series of uncoordinated, mutually reinforcing budget reductions. I think we should take that as a lesson about how not to react to shocks. Our working group's report said that "There is no excuse for lack of action". We meant that the governments should begin stronger co-ordination of policy as soon as possible.

Since then our thinking has been refined, but the basic message remains the same – it pays to co-operate. And yet there are not that many examples of success. But let me mention one. Our work in Paris, I feel, played a part in the process, which led to the creation of the internal market within what is now the European Union. Today, with the Amsterdam Treaty, we have a powerful instrument for intensifying co-operation on job creation. The moment is promising because we are beginning to create the tools we need. The challenge is to use those tools to exchange information, to learn from best practices, to plan the timing of our policy responses carefully – in short to co-ordinate better.

The European Commission has made a very interesting analysis of Europe as an economic entity. The main point is that around 90% of the economic activity of the European Union is internal to it. Looking at the EU in this way makes clear that the degree of freedom to create jobs without damaging the balance of payments is much higher than we believed it to be, and our ability to counteract international shocks is much greater than we realised.

Two lessons can be drawn from this year's discussions of the international financial crisis. First, given the fiscal consolidation which we have undertaken to prepare ourselves for the EMU, Europe is better prepared to withstand a crisis. Second, it is paramount that we do not react as we sometimes did in the past. We must avoid sudden cutbacks in our economies which could unleash a mutually reinforcing depression. I have always believed that social security, competitive strength and dynamism are mutually-reinforcing.

The economic history of the post-war era clearly demonstrates that when we do the right things together we succeed. When we do the wrong things, and act on our own, we fail miserably. But what is the right thing to do

together? I, together with the international labour movement, have always argued for strong co-ordination among governments in partnership with a strong, co-ordinated labour movement. An inclusive society and high wealth creation are not opposite, they are complementary.

I have always argued that social protection, competitive strength and dynamism are mutually-reinforcing. Giving each individual a sense of security must, as I see it, go hand in hand with globalisation and increased trade. I am not arguing theoretically. My own country stands as evidence. We have high social protection, high labour force participation rates for both men and women and low unemployment, all at the same time.

People move provided they don't risk everything. This is important because we are now asking workers to prepare to change their jobs eight to 10 times over their working life. Social protection and active education policy in our member countries are the best ways to equip wage earners to accept change. This model is capable of generating high employment with low inflation and durable growth. What we must focus on in the era of globalisation is a knowledge-based strategy, not a low wage strategy. In Denmark we have found that an active employment policy focused on a range of initiatives from education to efficient employment search is the right path.

To sum up, we have a strong and arresting argument when we insist that policies matter and co-operation matters. "It pays to co-operate" should define our approach to the next century.

“Economic Governance and Globalisation”

Jacques Delors

Former President of the European Commission

I would like to congratulate TUAC on its 50th anniversary.

I have often been to the OECD, either as an expert or as a representative of my country or organisation and the OECD has taught me a great deal.

The subject of today's meeting is the emergence of globalisation over recent years and how the vision of the future can be made a positive one. It is worth recalling at the outset that this is not the first period of globalisation. Between 1850 and 1914 the world had free trade and although the period was very different from today, some of the problems were the same.

I would like to discuss three sets of issues: the problems associated with globalisation; the rationale of globalisation, which is not an end in itself; and the role of the European Union as part of the framework of international organisations governing globalisation.

Globalisation raises unresolved problems

Many commentators and politicians are concerned that globalisation is behind increasing inequality between countries. Using OECD terminology, industrialised economies represent 16 per cent of the world population but produce 80 per cent of the world's gross national product (GNP); emerging economies represent 55 per cent of the world population but produce only 13 per cent of GNP; transition economies (notably the former Soviet Union) represent 8 per cent of the world population and 3 per cent of GNP. But it is the gap with underdeveloped countries (which represent only 3 per cent of GNP) which is getting wider.

Some critics of globalisation blame it both for creating unemployment in rich countries and for weakening poor countries. This is inconsistent. Globalisation has enabled a number of countries to move out of extreme poverty, yet problems of development have to be analysed in a sophisticated way.

A second problem is that international institutions such as the IMF and World Bank are being confronted by both political and economic issues, which question the adequacy of economic governance. I have proposed the creation of an Economic Security Council of the United Nations. For the time being, in the absence of such a system of world economic governance, it is necessary to envisage economic governance through the creation of regional organisations of which the European Union is the most developed. This is

being followed elsewhere, for example by Mercosur. Some raise the question of whether this will lead to regional protectionism, but I doubt it because there will need to be rules of the game.

A third problem is that the current period of globalisation has also been accompanied by many polemics announcing “the end of work” or “the end of Fordism”. It is not sufficient to say that trade unionism is in difficulty just because a type of wage earning society characterised by Fordism has disappeared. Market forces will still need to be balanced by regulation. Over recent years there has been a dominant “conventional wisdom” or “pensée unique” which has also announced “the end of the welfare state”. Yet, if we had not had systems of welfare, in Europe the problems encountered since the 1970s would have produced a depression at least as serious as after 1929. Social security systems, representing 15-20 per cent of our economies have acted as a stabilising force. The issue is not “the end of the welfare state”, but how to keep alive its values whilst adapting it to a new financial, economic and demographic situation, as successfully done in Denmark and the Netherlands.

In general, there is not “an end of work” problem, there are still so many unmet needs in our societies. What may be a real problem is the decline in unqualified work, given technological change and the growth in trade. Unskilled workers account for half the unemployed, a problem which was stressed in the European White Paper in 1993.

Globalisation must not become a rudderless ship

My second set of remarks concerns the rationale of globalisation, the need to see it as a means to an end and the need to manage it, which requires a balance between market forces and regulation. The Bretton Woods system was created by people who had lived through the 1930s recession and the world war. There is a tendency to forget this since the system was abandoned after 1970 and fixed exchange rates replaced by floating exchange rates. It is important to move away from snap judgements on the international regulatory system and use our understanding of the past to see how the financial and United Nations systems should evolve.

The notion of economic regulation is once more fashionable amongst economists. But even if theory has shifted, the implementation of regulation in a global economy is very much more difficult. This is not a question of being Keynesian or anti-Keynesian. Humanity can accept the notion of a market system, but not a market society. The invisible hand cannot be a substitute for policy and we need policy to be based upon a real debate of ideas.

Areas of needed rules include international trade, which will only produce benefits if everyone plays by the same rules and where the WTO has a huge task. I continue to believe that if Cook standard rules had been complied with by Asian banks, they would have gone through a far less serious crisis. Here is one question that needs to be raised at international level in terms of the transparency required for banks and establishments operating in the financial markets as regards their own accounts and also in their extra-balance sheet commitments.

Accepting comparative advantage should not lead us to accept competitive social dumping which, as trade unionists quite rightly fear leads to a downward spiral. Developing countries need to make the most of comparative advantage, however some forms of working conditions such as child labour are unacceptable, as was realised at the end of the last century in our own societies.

Growth is not the same thing as development. There are strange ways of calculating growth – whereby, for example traffic congestion counts as raising growth according to national accounts. We need to have rules for environment protection, but also to have accurate calculations of costs and benefits and have education on sustainable development. For development to have a true meaning, we have to redefine the public goods such as environment protection and access for everyone to health and education. The move from growth to development is a crucial issue for developed countries and their contribution to the world economy.

Lastly a set of rules are needed to govern relations between companies and their workforce. It is particularly important to mention this given that we are today celebrating the 50th anniversary of a trade union organisation. For Europeans this means how can a European model be kept alive. One aspect of this is power and ownership and a key issue is the use by trade unions of their power over pension funds. A second aspect is labour market flexibility. The OECD has done a lot of work on this, but I think we can be more optimistic. Flexibility is necessary but this is not just a constraint for workers; it is also one for companies. Firms cannot go on externalising all their activities. The response must be to create security, so that for a worker being mobile and changing jobs does not call into question his basic rights. A third aspect is the balance between collective and individual responsibility. Have European systems led to a loss of individual responsibility? Poul Rasmussen is aware of this problem in Denmark. He changed employment policy to get a balance between self-reliance and collective support and an interplay between the two systems. A fourth aspect is the balance between market forces and political institutions. The fact is that markets are myopic and don't look to the future, and therefore there need to be political institutions looking ahead and providing the necessary balance.

The European Union as an experiment in regional organisation

Let me say from the outset that the European Union is not primarily an economic organisation; rather, it has political ends using the notion of the economy to get there. The European Union – and in this respect also the Mercosur, which wishes to emulate it – seeks to establish a single market with common social conditions. As a regional organisation it is very much in demand: more than a hundred and twenty countries have agreements with the EU. Although external trade is limited to around 10 per cent, there has been considerable development of trade within Europe to between 30 and 40 per cent. The single market is combined with common policies.

The European Union is taking a significant step with monetary union. For some this will be the final stage of integration. For others it is a launch pad for political union. Without going into that argument it is nevertheless inevitable that Europe will have to find a balance between monetary, economic and political power. Behind the institutional manifestation of this, there is an economic question of how far harmonisation has to go to ensure the success of monetary union. We must be aware of Europe's international responsibility. If the Euro becomes a reserve currency, then Europe will not be able to evade its duties to the rest of the world.

In the move towards political union the EU has up to now indicated that it wishes to remain faithful to the European model. This can be described as combining competition as a stimulus, cooperation which strengthens through common action, and solidarity which unites by improving cohesion between rich and poor regions.

But the European model also gives the social partners a key role and responsibility. In 1985 I launched the social dialogue between employers and trade unions. Some observers were sceptical about this, yet it is working smoothly. The social partners have produced many common opinions on economic policy, some of which were extremely wise, but unfortunately their advice was not always followed by governments.

There is also the beginning of a kind of European collective bargaining leading to agreements on issues such as parental leave and atypical work. At a time when industrial relations are generally in a state of crisis, it is significant that collective bargaining is possible at the European level. I would add that despite all of the talks of decentralisation, in nine out of 15 countries of the European Union tripartite agreements exist between the state, employers and trade unions.

Lastly, there is action at the European level in the field of employment and the possibility now, in the light of the Euro is to co-ordinate macroeconomic policy, bringing added value to national efforts.

To conclude, the European Union is trying to maintain a regional organisation which can play a global role in striking a balance between economic and monetary policy and between economic and social policy, to adapt to globalisation whilst staying faithful to its ideas and basic values. Others are not being forced to follow this model, but in a new world which is going to emerge with new institutions to manage globalisation, it is useful to reflect on this and realise that the Europeans are modestly trying to play a positive role.

“Globalisation and the Lesson from the Asian Crisis – Financial Stability is not possible without Social Stability”

Bill Jordan

General Secretary of the ICFTU

The structures of the international trade union movement of today were put together between 1943 and 1949, when so many people from different walks of life put so much creative energy into establishing institutions that would prevent a further war and build the social and economic foundations for peace.

Trade unions were valued partners of governments and business in that effort. Trade unions' support for the Marshall Plan and their engagement in practical action to rebuild European industry and society was a critical factor in showing that democracies could mobilise to ensure full employment. With the memory of the Depression and the rise of fascism fresh in mind, to quote one of TUAC's founders Vincent Tewson, the goal was “a progressive improvement in the life and labour of the people”.

The intimate connection between the ICFTU and TUAC in those early days was symbolised by Walter Schevenels who served both as TUAC's first General Secretary and in the same capacity for the ICFTU European Regional Organisation for sixteen years. Schevenels also represented a strand of continuity with the pre-war International Federation of Trade Unions of which he was General Secretary after 1930.

Charlie Ford who is here today was a close collaborator of Schevenels before himself becoming General Secretary of TUAC during the period after the OEEC became the OECD. Charlie was a research officer at my old union the Amalgamated Engineering Union, before coming to Paris to take over from Karl Casserini who was moving on to the International Metalworkers Federation. So with Bob White, a past President of the Canadian Auto Workers now President of TUAC, I and the several other metalworkers here today can be proud of our unions' contribution to TUAC.

Ever since the 1940s, successive ICFTU and TUAC General Secretaries have kept that close practical collaboration going. I like to think that John Evans and I, encouraged and supported by Bob White as President of TUAC and a Vice-President of the ICFTU, are managing to bring our two organisations ever closer together as we seek to develop a strong coherent union voice in the process of globalisation.

In 1948, it was self evident to a lot of political leaders from the democratic right, centre and left that strong free trade unions were an asset to the social and economic infrastructure of any nation, and part of the cement of international co-operation and development. In 1998, although the high tide

of Reagan and Thatcher is now past, we do not enjoy the same degree of respect.

I think we are regaining some ground and I would like to say a few words about why that is happening and some of the priorities for our future collaboration with TUAC.

One of the more startling statistics in the UNDP's Human Development Report published last month was that the 225 richest people in the world have a combined wealth of over one trillion dollars, equal to the combined annual income of the poorest 47% of the world's population (2.5 billion people). A world economic system that produces such grotesque inequality is not sustainable; socially, morally, or politically.

Financial stability is not possible without social stability and vice versa. That message has been reinforced by recent world events. Social stability is secured and maintained by the thousands of checks and balances to political power brought about by representative, independent, democratic, "free" institutions. Trade unions are one of those institutions.

And it is at the heart of the current global market crisis that some of the real progress is being made by unions that were for decades barely tolerated, or were restrained or repressed. What Asian unions are saying is that to get out of the crisis and prevent future ones, their governments, employers and international institutions need to build social and financial institutions to regulate markets. And, so that countries can both compete and co-operate with each other, such institutions need to be based on common international principles.

Two of the most important elements of a new Asian model will be social protection and sound industrial relations. The crisis has exposed the weaknesses of existing state mechanisms and the tremendous strain placed on families. The most vulnerable are the young and the old, especially women. When the working generation cannot, for reasons beyond their control, meet their family responsibilities, because they cannot find work, you rip apart their lives and sense of self-esteem.

Earlier this year at an ILO meeting, employers, trade unions and governments reached agreement on what Asian unions have called a Social Action Plan. These include:

- Starting and extending unemployment benefit, pensions and health insurance systems;
- Improving education and training possibilities especially for the unemployed;
- Improving equality of opportunity in employment;

- A massive increase in labour-intensive public works schemes; and
- The development of sound, industrial relations systems based on the ILO's core labour standards and tripartism.

These are exactly the same issues that faced Europe in the 1940's and almost repeat words drafted by the OEEC at that time, no doubt with TUAC's help. Massive financial disruption and civil disorder are common features of the problems we see now and Europe faced then; simply two sides of the same coin: a failure to develop institutions that enable people to articulate their aspirations and fears, reconcile them with the interests of other groups in society and develop some consensus on how to move ahead.

In Asia this point can be dramatically illustrated. Korea was further advanced in this institutional development than Indonesia when the crisis hit, and despite the problems unions face, is moving ahead, while Indonesia is trying to develop its social and financial institutions in the midst of the fastest, steepest and deepest economic collapse ever seen. Some of the most important institutions in a market economy are free trade unions. In Korea they were strong enough to play a part in managing the crisis. In Indonesia they were not, primarily because of decades of military and party control accompanied by repression.

TUAC and the ICFTU believe that the most successful countries, both developed and developing, will be those with institutions that are able to balance and rebalance constantly the market pressures of flexibility and dynamism with the social pressures for security and dignity. The suppleness of a country's institutions will be the key.

But we still have a lot of work to do to get across the idea that rather than destroy the institutions of the labour market, including trade unions, because their alleged rigidity is a barrier to adaptation to the global market, the priority must be to build up the confidence of working people that their unions do have a voice in managing change for the better. Collective bargaining and tripartism provide a process for dealing with the problems of change and spreading the benefits of increased trade and investment. Perhaps the recent debacle over the MAI, the defeat of fast track and the destabilising effect of unregulated international capital markets on Asia will finally convince the ideologues of the 1990's that globalisation without a human dimension will fail, recreating the protectionism and nationalism of the 1930's.

Our task in the ICFTU and TUAC today, as it was 50 years ago, is to project a vision of a better fairer world and develop practical measures that convince people that these goals can be achieved. The free trade unions responded to George Marshall's vision precisely because they could see a means of developing practical action to solve real and pressing problems. I see some signs that the G7 in their recent meetings are recognising the value of our

ideas. We must reinforce the self-evident message that without a social dimension built into the architecture of the international system, globalisation will fail. A larger number of governments than for many years, represented here today by Poul Nyrup Rasmussen, are ready to listen to our ideas.

The ICFTU and TUAC must work to lock in the growing support for core labour standards, now formalised in the ILO Declaration on Fundamental Principles and Rights at Work, as one of the pillars of a reformed international economic and social system.

At the present time most working men and women in most countries are worried that globalisation makes it more not less difficult to avoid the danger of falling into poverty and unemployment.

The OECD and most international institutions appear to have failed to offer a solution to these insecurities. As a result, they are beginning to realise that our movement has an organisational coherence that reaches from the workplace to Summits of Heads of State.

The foundations for our ability to do this work today were laid by the pioneers who set up TUAC and the ICFTU 50 years ago. The challenges we face today sometimes seem daunting. But it is useful to remember that 50 years ago the future must have looked very difficult for TUAC. Yet, not only has it survived, it has grown and strengthened because the principles of free trade unionism upon which it is based are enduring ones.

Session III

SHAPING GLOBALISATION: THE TRADE UNION AGENDA ON THE EVE OF THE THIRD MILLENNIUM

“Reinforcing TUAC’s Policy Agenda at National Level”

Barbara Shailor
International Affairs Director
AFL-CIO, United States*

I am delighted to participate in this 50th Anniversary of the Trade Union Advisory Committee; it is fitting in these troubled times that the celebration features a daylong seminar about the global economic crisis. I do want to salute TUAC, and add my praises to its General Secretary, John Evans, and its President, Bob White, for their extraordinary work. They continue a fine tradition. For 50 years, TUAC has brought the concerns of working people to the upholstered suites of the OECD. It has a record and a reputation of which all can be proud.

Fifty years ago, when TUAC was formed, the industrial nations were creating the arrangements of the post-war global economy – the Bretton Woods institutions, the Marshall Plan, the beginning of European co-operation.

Coming out of the Great Depression and World War II, the founders wanted a global order in which nations could grow and people could thrive. They regulated currencies while giving nations the space to stimulate growth. They curbed speculation while fostering real investment. They emphasised growth from the inside out and the bottom up – demand-led growth, based upon full employment and rising wages – and they created the mechanisms for greater trade and global development.

The system they created was far from perfect. Much of the world was outside their line of vision. But in the industrial world, we enjoyed 25 years of decent growth and development. And we all grew together – the rich got richer and working families prospered, building the strong middle classes that are the backbone of democracy.

* Barbara Shailor delivered these remarks on behalf of John Sweeney who was prevented from attending the seminar by a flight delay.

Now as we meet at TUAC's 50th anniversary, we once again are present at the creation. Fifty years ago, the world was emerging from a long night of global depression and war. Today, the world faces a looming nightmare of global deflation.

In 1948, the industrial nations had to create new institutions to revive investment and trade. In 1998, we must begin to create the institutions to bring the global economy under control, to curb speculation and revive sustainable growth. Just as the founders of the post-war economy had to understand and respond to the causes of Global Depression and World War, it is vital that we understand and respond to the causes of today's global crisis.

This crisis marks the end of a conservative era that has lasted 25 years. For a quarter of a century, the industrial nations have worshipped at the altar of conservative idols – de-regulation, tight money, fiscal austerity. Corporations have been freed from accountability, currencies and speculators liberated from regulation. Financial elites have been empowered, while unions and parliaments have been weakened.

The results are now in. A global market has been forged. It is dominated by a handful of global corporations and banks. The few are prospering, but the many are not. This economy does not work well for working people. In the OECD nations, we experience the effects in different ways. In Europe, the effect is widespread unemployment, particularly among the young. In the United States, jobs are created but with stagnant or declining wages and benefits for the majority of working people – families are working harder and longer simply to keep pace. In Japan, we witness continued and deepening recession. In the newest OECD member, South Korea, hopes are devastated overnight, part of an Asian collapse that is sending shock waves across the world.

We should be very clear, advocates of conservative policies got it wrong. De-regulation, they said, might create greater instability, perhaps an occasional crisis to discipline the foolish. But the discipline and insecurity, they promised, would be a small price to pay for the blessings of growth and prosperity offered by the free flow of goods and capital. Now we know the promise was a lie. Crises, as World Bank economist Joseph Stiglitz has recently emphasised, have not been occasional and isolated – they have been universal and frequent. Over 100 countries have been scarred by banking and currency crises since 1975, with the frequency and the severity increasing over time. And de-regulated financial markets have produced slower, not faster growth, in nations rich and poor, industrial as well as developing.

In the debates over the last quarter century, TUAC got it right. We warned about the peril of de-regulation without accountability. We warned of the folly of sacrificing full employment in a fight against inflation. We warned that without labour rights and environmental protections, a global race to

the bottom could bring everyone down. If anything, our warnings were too tempered, our alarms too muted.

The conservative hucksters got things exactly backwards. They thought they had to create rules to unleash capital and build global markets. In fact, the corporations and banks and the revolutions in technology and communications and transport were doing that on their own. The fundamental challenge was to regulate that market, not to de-regulate it, to curb speculation, foster real investment, empower workers, make corporations accountable. What should have been the central project of governments was instead left outside the conference room door.

Now TUAC's voice must be strengthened, its stance hardened, its perspective sharpened. We need imagination, and new ideas. But the principles of reform are clear, and TUAC's November statement on the Global Economic Crisis serves as a timeless guide: "The industrial countries must make co-ordinated efforts to jump start growth. Bold initiatives are needed to rescue the peoples in currently submerging economies most impacted by the crisis. We must curb speculators and foster long-term investment. Corporations must be accountable to all stakeholders. The global trading regime must be grounded on building protections for core labour rights, consumer and environmental protections."

TUAC was right, but, if I may say so, it is not enough to be right – being right in a debate is satisfying, but it is not sufficient. We must not only be right, we must be heard. And we must not only be heard, we must be listened to. TUAC needs more than good sense and good statements – its member unions need to back up the pronouncements with pressure, to make our agenda heard in national policy circles.

Earlier this year, we were pleased – and the corporate free trade crowd was appalled – when President Clinton warned the WTO that the global market must work for working people or it will not work at all. He argued that the WTO had to open itself up to greater participation by labour and consumers, that it had to build labour rights and environmental protections into its core trading rules. If it failed to do so, he warned, support for free trade would be endangered.

The President was suddenly embracing the arguments of America's working people and our labour unions. But, with all due modesty, it was not the force of our logic, but the force of our legions that convinced him to change his own position. We had to fight and win a bitter battle against fast track legislation, overcoming the united forces of the White House, the Republican congressional leadership, the business community and the overwhelming majority of editorialists and economists. We had to prove that they could not go forward if they continued to neglect core labour

rights and environmental protections. The fight over fast track divided our party. It brought upon us the wrath of corporate editorial opinion and it embarrassed our president – but it emboldened our members and everyone for the message.

It was just a first step. TUAC took another when the mobilisation of workers and environmentalists and the action of the French government halted the MAI negotiations. We must now build on these victories in each of our countries. It is not sufficient for us to endorse TUAC's clear statements when we meet together in Paris and then neglect them when we negotiate separately at home.

Today in much of the industrial world, voters have turned against conservative regimes and have elected centre-left coalitions. The new leaders have yet to define their direction – some embraced the conservative era just as it collapsed around them, some proclaim a “third way”, when they are actually just trying to find their way.

In these circumstances, it is vital that the concerns of working people and our unions be put forth forcefully within government circles, and backed by aggressive and independent political action and education.

Fifty years after the creation of TUAC, we must start anew. I pledge to you that the AFL-CIO will join with the member unions of TUAC to define and fight for a new internationalism – an internationalism grounded in an economy that works for working people – and that we will stand up for that agenda in international dialogues as well as in national dogfights. Together we can generate the courage, the vigour, the imagination to rebuild a new global order on the ashes of the old. What better mandate for TUAC in the new millennium?

“Guaranteeing Fundamental Rights at Work – the Role of the ILO Declaration”

Karl Tapiola
Deputy Director-General
International Labour Office

It is an exceptional pleasure to be here today. I see that most of the persons who have over the years contributed to making TUAC into the efficient organization it is today are here. I wish also to pay tribute to one who no longer is with us, Paul Barton of the AFL-CIO. He passed away three years ago. Without him the transformation of TUAC would not have been possible.

I shall concentrate my remarks on core labour standards, or as the recently adopted solemn Declaration of the ILO calls them, fundamental principles and rights at work. This Declaration was adopted by the International Labour Conference on 18 June 1998. I have warned John Evans that at this point of time, giving me a slot to speak at this seminar means that I shall use it to promote this Declaration.

The adoption of the Declaration was a logical response to the rising concerns about the consequences of globalization. We can now distinguish three central elements of the change the world economy has undergone. Firstly, there has been internationalization of economic activity, already spurred by multinational enterprises since the 50s. Then there has been a significant introduction of new technology in both production and the management of economic activities, particularly since the early 80s. And finally, the end of the Cold War led into a disappearance of opposing and closed economic and political blocs and a situation where there are no alternatives to a market economy. This has created a new social reality, too.

In recent consultations with the Bretton-Woods institutions, we have characterized this Declaration as containing a minimum social agenda for this changing world. It is one answer – it is not the answer, but one of the answers – in this process. All those who participate in today’s seminar have contributed to it.

The adoption of the Declaration has been preceded among other things by discussions in the ILO since 1994 on the social dimensions of the liberalization of trade; the OECD’s work on trade and labour standards; debates on core labour standards in the World Trade Organization; and the World Summit for Social Development in Copenhagen in 1995.

The Declaration is an answer to the concern that the ILO should deal with the issue of labour standards. Of course they are eminently in our field of competence. But, as the discussions in the WTO and the OECD have shown,

the ILO does not have complete monopoly or autonomy on what to do with labour standards – and core labour standards in particular.

The negotiations for the Declaration were difficult. An integral part of the product is its follow-up, which is now being put into place. At its current meeting the Governing Body of the ILO has decided that this follow-up will be functional as of the year 2000. There will be an annual global report on the fundamental principles and rights (core labour standards) in all countries. And there will be annual reports on situations where the seven fundamental Conventions of the ILO have not been ratified.

Out of a potential of 1,200 there are still some 230 cases of non-ratification. Of course, this number will at least temporarily rise by 174 next summer when the new Convention on the abolition of the worst form of child labour is adopted. We are talking about the Conventions on freedom of association and the right to collective bargaining; non-discrimination in employment and occupation, abolition of forced labour; and the effective elimination of child labour.

The two new ILO reports will be tools for technical co-operation. The aim of the exercise is not to judge the law and practice of a given country. The ILO has other means for that in the case of ratified Conventions and in the case of freedom of association irrespective of ratification. The purpose of this follow-up is to find agreement between governments and the ILO on how, in a transparent way, to promote the universal application of core labour standards and undertake efficient action.

I wish to pay tribute to the role of the OECD in this process. I hesitate to praise the TUAC, however much I would like to, as I have been too much involved to pretend to be sufficiently neutral. It was very important that the OECD study on trade and labour standards, which was published in 1996, took the ILO fundamental principles and rights as a benchmark. Of course, the Social Summit in Copenhagen had been a crucial indicator of the contents of these standards.

It is worth noting that the elimination of child labour was included as a fundamental principle in Copenhagen and at the stage of the preparations of the OECD's study. In fact, at early stages of discussion on the OECD study, the suggestion for a new ILO Convention on the worst forms of child labour started gaining acceptance. I believe that there is much scope for further co-operation between the OECD and the ILO on these and on other issues.

TUAC will naturally continue to push the OECD forwards, just as the ICFTU and the WCL, through the Workers' Group, pushes the ILO forward.

Our greatest challenge in the middle of the current Asian, and international, crisis is to get synergy from our different activities: those on standards, on

employment; on social protection; and on social dialogue. The Asian crisis forces us to do some serious thinking. In the light of developments in such countries as Korea and Indonesia, we can say that there is some good news. The role of fundamental rights is recognized. Core labour standards are part of the solution, not part of the problem.

But we cannot just try to convince the workers that there are significant improvements when unemployment and poverty make a virtual onslaught on them. The real challenge is to find the right mix of action. The respect for core labour standards has to be linked with job creation and social protection, and the way to do this is through social dialogue.

The role of social dialogue is to work out what the viable short and long term solutions are. This is where standards also are needed – standards, which help negotiation, adaptability and flexibility. As the OECD underlined in a study on labour market flexibility already 12 years ago, flexibility should be negotiated and not used as an instrument of one group against another.

The institutions for social dialogue need to be strengthened. There has to be co-operation between all actors on the social scene, particularly the trade unions and the employers. International organizations have to make sure that they work in a coherent way together. They should not all try to reinvent the wheel. For this, a uniform approach to core labour standards is necessary.

When we look at the social rules or codes of conduct for any new international financial architecture, we may – and should – find out that much if not all of them have already been worked out. The Declaration on Fundamental Principles and Rights at Work and its Follow-up are an essential part of it.

“The OECD’s Role – Helping Manage Globalisation”

Joanna R. Shelton
OECD Deputy Secretary-General

I am very pleased to be with you today to celebrate the 50th Anniversary of TUAC and to recognise the important contribution that TUAC has made – and continues to make – to the work of the OECD.

I have been asked to reflect on the OECD’s agenda in the light of the challenges arising from globalisation. In doing so, I would like to begin by quoting from John Evans’ contribution to the recent book, *A Search for Equity*. John closed his chapter with the following statement: “The response of the trade union movement to globalisation cannot be to bemoan changes or react defensively. It must be to respond and manage them. To fulfil the legitimate aspirations of consumers, employees and investors, markets require effective governance, whether or not they are organised on a national, regional or global scale. Against the background of globalisation it is the forms of governance that have to change, not the principle of governance itself. The challenge is to shape that debate.”*

I chose that statement to begin my remarks, because I fully agree with it. In fact, much of the work of the OECD in priority areas contributes to the development of the institutional and regulatory underpinning that is increasingly necessary to support market-based economies and an open trade and investment system. The recent economic and financial crisis in Asia and other countries has been a useful reminder of the importance of having the proper regulatory and institutional structures in place to support gradual market opening. Although the immediate cause of the crisis in each country differed, the common thread in all countries was the absence of adequate regulations and structures to help cushion those economies from the pressures brought about by domestic and international market opening. In some countries, the economic crisis has had devastating social ramifications, whose implications still are not fully known.

TUAC and the OECD’s predecessor organisation, the OEEC, were founded 50 years ago to help channel Marshall aid given to Europe. But whether one is working to restore economic prosperity and a healthy social fabric in a war-torn Europe or to restore growth and social stability in the crisis countries of Asia, Russia and elsewhere, the fundamental needs remain the same. TUAC and the

* “The Search for Equity”, Ed. David Foden & Peter Morris, Lawrence & Wishart Limited, London, 1998.

OECD have played, and will continue to play, an important role in developing policies, guidelines and standards that help governments, trade unions, businesses, and consumers respond to and manage the forces of globalisation.

It is almost a truism to say that globalisation and the increased flow of goods, services and capital is one of the great economic events of the late 20th century. Globalisation has been driven by reductions in trade and investment barriers and by rapid advances and declining prices in technology, transportation, and communications. However, globalisation and the changes brought about by technological development are not new phenomena. The Industrial Revolution and the large flows of trade and investment at the turn of the last century serve as an important reminder that change is a phenomenon that will be with us as long as the human mind has the capacity to innovate and to dream of new and better ways of doing things.

There is no doubt that the nearly continual and gradual move toward market-based economies and more open trade and investment systems has brought tremendous net benefits to citizens of all countries – whether they own businesses, work in offices or factories, invest, or simply enjoy their status as consumer. It is no accident that with more countries than ever before now involved in the dynamics of open markets, world poverty has been reduced more in the past 50 years than in the past 500, according to World Bank calculations.

However, now perhaps more than ever before, governments also need to pay attention to the social ramifications of their economic policies, both domestic and economic. As TUAC has amply pointed out, and as OECD work has confirmed, globalisation brings benefits, but it also brings costs and strains which require firms and workers to adjust to new circumstances, sometimes at a dizzying pace. Only if the proper social, institutional, and regulatory underpinnings are in place to cushion economies against shocks can governments hope to maintain the public and political support for the economic policies that have served the world and its people so well since World War II. More and more voices in more and more countries are questioning the wisdom of these post-war policies. For those of us who believe that the fundamental direction of the past 50 years should not be changed, it is essential to respond to the legitimate fears of citizens and workers who question whether the forces broadly known as globalisation work for them, or against them.

Now let me touch on some of the work of the OECD as it relates to globalisation. As many of you know, the OECD works in a broad range of fields, from macroeconomic policy advice and environmental policies to international migration and electronic commerce. I cannot possibly touch on all of our activities that have a bearing on globalisation, so I will focus only on a few – those that relate most directly to the challenges stemming from open trade and investment regimes.

As this audience knows very well, the OECD has long been a proponent of open markets for trade, investment, and capital. I realise that sometimes TUAC and we have disagreed over the precise nature of our recommendations and orientations in this area, but I would point out that, contrary to some perceptions, we have never argued for trade, investment, or economic systems wholly free of any government supervision or regulation. That is simply not a realistic position in today's world, if indeed it ever was the case. Rather, our approach in a range of areas calls for putting in place the right kinds of policies, guidelines, or institutions – which sometimes or often can include less government intervention – to allow the benefits of economic growth to flow to the greatest possible number of people.

In the area of social policy, the OECD has recommended that a broad strategy be adopted by governments to ensure that citizens and communities are able to take advantage of and adjust to the challenge of globalisation. This entails policies that provide for adequate flexibility of product and labour markets – an area that I know we could debate here as a topic in and of itself – as well as policies in areas such as education, training, taxation, pension reform or the portability of health benefits that aim at facilitating the redeployment of displaced workers into expanding firms and sectors. Social protection policies also need to be structured to ensure that those who lose their jobs are insured against excessive income loss during the period in which they search for a new job.

On the economic policy front, at the individual country level, the OECD believes that the best way to guarantee maximum net benefits from trade and investment liberalisation and to reduce the risks associated with it continues to reside in the pursuit of sound, stable macroeconomic policies, responsive exchange rate regimes, a robust financial system backed up by the proper prudential regulations and institutional supports, and good public governance.

But in addition to steps taken domestically to ensure continued economic growth and strong job markets, initiatives at the international level also are necessary to ensure maximum benefits from globalisation. I believe the OECD has a great deal to offer in its fields of expertise and competence. In addition to strengthening our capability for the surveillance and monitoring of policies in Member countries, the OECD has been used by our Member governments as the forum for the development of rules, guidelines, and standards in a number of areas.

The first of these that I would mention is the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, which was signed by Ministers in December 1997 and is in the process of being implemented by Member governments now. We remain cautiously optimistic that the Convention will enter into force as scheduled at the end of 1998. Another important step taken to ensure fair competition

internationally was the OECD Recommendation against “hard core” cartels, endorsed by the Council in March 1998. Finally, the Financial Action Task Force, which brings together the world’s leading anti-money laundering authorities, is based at the OECD.

Taxation is another area in which the OECD is a leader in developing international rules of the game and guidelines. Our most recent response to globalisation came in the form of the OECD Guidelines on Harmful Preferential Tax Regimes, agreed by Ministers in April 1998. Low tax schemes aimed at attracting financial and other geographically mobile activities increasingly provoke harmful tax competition between countries, which risks distorting trade and investment flows and eroding national tax bases. If left unfettered, this competition may not only have the detrimental effect of shifting the tax burden from capital to labour, it may also pose a serious threat to governments’ ability to finance their social systems at the desired level. Our work in this area is now aimed at developing a list of tax havens. The Guidelines and list of tax havens provide a multilateral approach under which countries can act individually and collectively to limit the extent of harmful tax competition.

The absence of good corporate governance often has been cited as one of the factors lying behind the Asian financial crisis. The lack of transparency in the operations of major corporations and the failure to give adequate consideration to investor interests contributed to a loss of confidence on the part of the foreign investor community. The OECD was asked by Ministers in April of this year to develop standards and guidelines for corporate governance by the time of next year’s Ministerial meeting in May. We are well along in the process and have been pleased to include TUAC, BIAC, and selected international organisations in our task force set up for this purpose. I am aware of the strong interest placed by TUAC on the issue of stakeholder interests in corporate governance, and we are working with TUAC and our Member governments to see if we can craft language in this area that will be acceptable to all.

Finally, let me turn to an issue that has been very much in the news of late and has been a source of continuing controversy for many months. I refer, of course, to the efforts by OECD Member countries and eight non-OECD economies to negotiate a multilateral agreement on investment at the OECD. With the withdrawal of one Member country from these negotiations, it is clear that we are at a critical juncture in the effort to develop rules to govern international investment flows. Investment flows have grown much more rapidly in recent years than trade, and yet there is no comprehensive international framework to establish the groundrules for such investment, unlike in the trade area.

At a meeting of the OECD’s Executive Committee in Special Session (ECSS), participants agreed on the value of foreign direct investment and on the importance of non-discrimination toward such investment. There also was a

consensus on the need for and value of a multilateral framework for investment. However, differences exist on the best forum for achieving such a framework, and on its eventual content. Some of these differences stem from the concerns that have been expressed by a range of non-governmental organisations about how such a framework might affect them or their interests.

We will shortly be holding a consultation with governments on this issue with a prior consultation with NGOs, including TUAC and BIAC. Those meetings undoubtedly will give a clearer indication of the direction that governments wish to move in achieving the objective of international rules for investment. For those that wish to see this effort transferred to the WTO, it is important to recognise that meaningful negotiations in that forum are unlikely to begin in the foreseeable future. And the issues that arose during the negotiations under the auspices of the OECD will not go away. Organised labour has its own set of concerns in this area; and I believe it is significant that a strong majority of OECD countries support the inclusion of protections for core labour standards in any instrument that would emerge from the OECD. Of course, some countries disagree. But I think that TUAC has played a constructive, co-operative role in working with the OECD and the negotiators to help us move towards provisions that a large number of governments can support.

One final instrument in the area of investment that I would be remiss not to mention are the OECD Guidelines for Multinational Enterprises, which are currently undergoing a full-scale review for the purpose of updating the text and exploring ways to improve the implementation procedures. We look forward to the continuing involvement of TUAC and other NGOs in this review process.

I hope that my remarks have given you some perspective on the role that the OECD is playing to help strengthen and improve the international framework of policies and rules in an increasingly globalised economy. All of the efforts relating to multilateral co-operation that I have described address issues that individual governments and nations cannot master by themselves. Many of our countries' citizens express concerns about the loss of governmental sovereignty in a globalising world. But international co-operation to address the concerns of our citizens represent a collective exercise of sovereignty to strengthen the ability of individual governments to manage the forces of globalisation in the interests of all of their citizens. Have all of the risks and downsides to globalisation been tamed? Of course not. But to come back to the point made by John Evans in his article, we must continue working together to find mutually acceptable solutions to the changes that will continue to confront us.

In this effort, it is indispensable that we have greater, not less, consultation and co-operation with representatives of civil society – from organised labour and environmental groups to the business sector and consumer groups. One

of the priorities identified by the Secretary-General for 1999 is to strengthen the OECD's relations with its current partners and to broaden our reach to include an even wider range of NGOs. I will look forward to working with TUAC, in co-operation with Deputy Secretary-General Schlögl, to explore ways to improve our dialogue and collaboration with TUAC and other NGOs.

Let me close once again by congratulating TUAC on the occasion of its 50th anniversary. I have been at the OECD just three years, but I have had many opportunities to work with TUAC and to realise how valuable and constructive your contribution can be to the work of the OECD. I look forward to continuing to work with TUAC and its very able staff here in Paris; and I thank you again for the opportunity to participate in this important event.

“The Reality of Globalisation for Workers”

Bob White

President of TUAC

President of Canadian Labour Congress

I would like to take our minds outside of Europe. I heard the European model described this morning, I thought it was insightful to hear from the Prime Minister of Denmark on how a very small country can thrive against a background of globalisation. But there are millions of people outside of Europe who have nothing even close to what's talked about in Europe in the social dialogue. That's the real challenge for us in the international labour movement. Some people try to depict us as protectionists if we are not in favour of the current model of globalisation. Coming from Canada, a country that survives on trade, I can say that the last thing we want is protectionism. However we do want, as I said in my remarks this morning, to talk about how this wealth which is being traded around the world is shared fairly by people and not concentrated in a few hands.

I recall an APEC summit meeting a year ago in Vancouver. The political leaders would not even call themselves leaders of nations. They had to call themselves leaders of economies because if they called themselves leaders of nations that would upset someone. While this APEC summit was going on we had what was called an “alternative people's summit”. Some of us were in the streets, demonstrating for human rights, for workers rights and trying to get some of our colleagues out of jail in Korea and Indonesia. At that time the crisis was just starting to hit. I remember meeting with the Malaysian Foreign Minister who told me “Mr. White in our country we're going to lose two million jobs in the next 18 months, most of them are people who have come from the rural areas to the urban areas, and now we have to push them back.” Then the crisis hit South Korea and the economic leaders were asked what they thought of the Asian crisis. The President of the United States, and my Prime Minister, said don't you worry about this, this is just a blip, these countries have their fundamentals, everything is going to be OK.

Of course, as we know today, it was not OK for the Asian workers. For human rights in some of those countries it wasn't OK. Then the crisis spread to Russia. Who would ever have contemplated that we would sit in a room in 1998 and discuss the issue facing workers in a country like Russia, which is their inability to get paid. There are vast numbers of Russian workers today who have worked in mines and factories and who haven't been paid for months. So one of the new ideas of the international labour movement is that we should get paid for work. This is not very revolutionary, but not a bad idea.

The crisis then moved into Latin America.

But I would like to go back to Korea as an example. Korea became a member of the OECD and TUAC led the argument that we should raise the issue of workers' rights in Korea whilst its membership to the OECD was being discussed. And we did, and to the OECD's credit there was some work done for the first time around the issue of workers' rights in an OECD country. But in spite of that, Korea was given membership to the OECD despite a large section of the South Korean labour movement not being legal in their own country. That remains a cause for concern.

When the crisis hit in Korea the IMF and the World Bank realised that they needed to get some people from the labour movement around a table and talk about how to get out of the crisis. They did so and labour leaders participated, including those that belonged to illegal organisations. Yet the reality in Korea is that there are more trade unionists in jail today than there were before the crisis. This puts the globalisation debate into perspective for the people at the grassroots who we represent.

There is a question of "who has been left behind by globalisation" and the social dimension to markets. I just came back from a visit to Brazil and Mexico City. Brazil is a country that people in the academic community would call a country in transition or a country in change, or a country going through some pain. The reality for that country is that, as a result of financial crisis, thousands of workers are losing their jobs. If you go to them and ask them how do like liberalised financial markets and globalisation so far, don't be surprised if they say "Not very much, thank you". That's the reality.

Now when commentators talk about Asia, all of a sudden they criticise crony capitalism and corruption. Does this mean that they did not know that those who were making money in Asia before the current crisis were not making it through crony capitalism and corruption then? Again, I don't think that our authorities can be excused. We have to put a lot more emphasis on the impact of globalisation on people.

We have a free trade agreement between Mexico, Canada and the United States. You can look at the statistics for GNP and trade and somebody said this morning that the numbers are pretty positive. Yet, if you ask somebody in Mexico the question "what has happened to poverty since NAFTA?" their answer will be that poverty has in fact increased in Mexico since NAFTA. Those are the real issues we're facing every day of our lives, and so our voices at forums like the OECD, the G-7, the IMF, or the World Bank, are not just contributing to an academic argument. We're reflecting the concerns of working people and poor people across the world.

The lesson for all of us in this situation is that those countries that have had a democratic labour movement, that have democratic institutions that respect human rights and development of civil society are not going to be perfect. But

they will do better than countries that don't have these institutions. So, for example, our campaign on core labour standards, as Kari Tapiola said, is not designed to have everybody at the same level of wages, benefits and working conditions. It is to ensure that in every country of the world there should be governance that allows the development of the democratic labour movement, that allows the development of human rights organisations so that they themselves can find a proper level of economic and social standards, not necessarily those similar to Canada, but compatible with their own situation.

The Malaysian situation today is telling. We have a great campaign by world leaders to get a former finance minister out of jail. I support that, but I would argue that the campaign should next move to China. We have the same concern for thousands of people who are in jail in China for trying to fight for democratic rights. Governments should be just as vocal about that, because jail in China is not much different from jail in Malaysia. So don't be surprised if we get a little cynical at times. We have a right to be cynical.

I don't want to be too pessimistic because I think the world is changing. In my own labour movement we're working internationally. Because our country is a trading nation, because we reflect that in the labour movement, we're involved in APEC – working with labour movements, human rights organisations, NGOs in APEC nations trying to help build a civil society. We are working with labour movements throughout the Americas to try to put together some kind of counterbalance to what is now an agenda driven by international capital and international corporations. There is a rush to the bottom to set up *maquiladores* and free trade zones. That's reality for a lot of people. Alongside the AFL-CIO we are trying to change the situation, not to export our own vision of the world but to try and help.

We're involved here at OECD. I consider it a great privilege to be President of TUAC, where we get to meet with people who come from countries where in most cases human rights and civil rights and recognition of the trade union movement are practised. Maybe we and maybe Europe can survive by cutting ourselves off, but I don't think that it is satisfactory. I want to remind us within the OECD and TUAC that there are very important things going on outside of our circle, which, if we don't find an international response, will penetrate our circle in a negative way.

The responsibility of all of us is to develop this dialogue and not just to listen but to change our actions. As I said this morning, workers are not afraid of change if they understand that change means they have some security and an opportunity to improve their situation. But the reality for millions of people around the world is that the change they would like to have is the right to work.

Session IV

CONCLUDING REMARKS

John Evans
General Secretary of TUAC

The theme of international labour and globalisation has proved to be an appropriate one for this seminar both in terms of its relevance to trade unions in the current period of instability and insecurity and as a subject to mark a 50th Anniversary of TUAC. There is not time in these concluding remarks to fully summarise the wide ranging and stimulating interventions that have been made, nor would it be appropriate to present formal conclusions. I would, however, like to give some impressions on what has emerged from the debate.

Firstly, the process of globalisation is at the centre of major changes facing working people both within and outside the OECD area and this means major changes for trade unions. Jacques Delors criticised correctly those who prophesy the “end of work” yet technological change, growing trade, regional integration and investment are all transforming work and employment relations. Trade unions are therefore faced by the reality of globalisation.

Secondly, these real changes have been accompanied by a certain “myth” of globalisation according to which it is argued we must inevitably accept any outcome global markets produce. Globalisation does not necessarily mean the “end of the state”, the “end of trade unions” or the inevitable levelling down of wages, even though some ideologues might like this. Globalisation is a man-made phenomenon and it can be modelled and shaped by human action. In particular, global markets need regulation just as much as national or regional markets do. Moreover, the claim of the death of the nation-state is very much overstated, when OECD countries still have public sectors which represent 30-40% of GDP on average.

Thirdly, no participants in today’s seminar felt it feasible, or desirable for nation-states to cut themselves off from the global economy. What is required is the effective public policy response to globalisation, with countries taking leadership if necessary to pool sovereignty. As Poul Nyrup Rasmussen reminded us “It pays to co-operate”.

Fourthly, from the trade union participants in the seminar and many of the others there seemed to be agreement on the major priorities for action:

- The need to guarantee in a binding way core labour standards as identified in the ILO Declaration on fundamental rights at work as the bedrock of a socially acceptable market economy. They have to become a system-wide standard, defined by the ILO but also implemented and applied by other institutions, the WTO, the International Financial Institutions and the OECD;
- The need to go beyond core standards to ensure that moves to flexibility or increased competitiveness are compatible with equity and socially acceptable. The challenge is for unions to be at the centre of this debate. There are also growing opportunities as indicated in some of the OECD work on education and lifelong learning, to improve working conditions. Regulations in these areas may not always be legally binding. The OECD can play a key role in shifting the focus of policy in a positive sense;
- The importance of improving economic co-ordination to put growth and employment at the centre of economic policy-making and remove the deflationary bias that is now apparent in the global economy;
- The need to develop an effective regulatory framework for global financial markets;
- And the need to develop a positive vision for the role of the public sector itself.

Fifthly and finally, it is clear that the OECD could and should have a central role to play as a forum for debate and implementation of these policies. Its advantages of a cohesive membership and a capacity to cross disciplinary or departmental lines are very real. But, as with other international organisations, the OECD is currently in crisis. For the 1980's and much of the 1990's the OECD was wedded to the "market philosophy" not just the "market system" as referred to by Jacques Delors. It was a "cheer leader", not just for globalisation but also for general deregulation. Economic fashions change, there is no inevitable truth and the Asian crisis has shown some of the fault lines in the global market system that has emerged from that period. The trade union movement will work to have influence on those international institutions shaping the new architecture now being constructed to manage the global economy. We will be "on which ever trains are leaving the station". In TUAC we will continue to strive to make sure that the OECD is one of these trains.

Part II

TUAC *Marks 50 Years*

A Short History

By Peter Gaskell*

Introduction

Founded in the aftermath of World War II, the Trade Union Advisory Committee (TUAC) to the Organisation for Economic Co-operation and Development (OECD) this year marks 50 years as the representative of 55 affiliated national trade union centres, active on their behalf in the ongoing economic policy debate at OECD's Paris headquarters, and further afield.

Set up originally in 1948 as a trade union advisory group to the European Recovery Programme, more commonly known as the Marshall Plan, the TUAC made a definite contribution to early efforts to achieve European integration. Today, as an international non-governmental organisation having consultative status with the OECD, it speaks for some 70 million workers in OECD's 29 member countries, which comprise most of the leading industrialised economies in the world.

Through its participation in main OECD committees and special working parties, TUAC represents and co-ordinates the views of trade unions to governments of industrialised countries in a unique analytical and co-operative framework. It seeks to ensure that growth-oriented economic policies also aim at full employment and improved social welfare, so that government policy-makers take account of the interests of working people in the formulation of economic strategies. In recent years, issues concerning the respect of workers' rights and internationally accepted labour standards, problems related to the phenomenon of globalisation, as well as questions concerning environmentally sustainable development have also taken on particular importance.

TUAC's central purpose has been to ensure that essential issues on the trade union agenda are conveyed to and have impact on the world's key economic forums. Achieving this means combining a precise reflection of affiliates' concerns with a serious analytical and factual presentation of the issues. This has been the case over the past two decades with regard to TUAC contributions to the G7 and now G8 summits and to major events such as high-level employment conferences (Lille in April 1996 and Kobe in October/November 1996), in addition to regular TUAC inputs to the annual OECD ministerial sessions.

* A former OECD press officer, Peter Gaskell is currently a free-lance journalist. He contributed this paper in a personal capacity.

In this work, TUAC has played a unique role among international trade union organisations. Historically TUAC developed from the European Regional Organisation of the International Confederation of Free Trade Unions (ICFTU) and the forerunner organisation of the World Confederation of Labour (WCL). It has therefore developed a broad membership, including from developing countries, which reflects the heterogeneity of trade union traditions and works in close co-operation with the ICFTU in particular, but also the WCL and ETUC and their respective sectoral organisations. The submissions prepared by TUAC to the G7/G8 summits therefore also reflect the views of the international trade union movement as a whole.

In TUAC's work programme, three priority areas currently stand out: *i)* employment issues, in the broad sense *ii)* the policy response to the challenge of globalisation, and *iii)* work on relations with OECD non-member countries.

The most recent TUAC policy statement, issued in April/May 1998, called on the G7/G8 heads of government meeting at the Birmingham summit and the preceding OECD ministerial meeting to:

- Implement a co-ordinated strategy which sustains global growth and supports balanced domestic demand;
- Establish as a priority an International Commission to develop a new financial architecture which is required to govern international capital markets;
- Develop a social and democratic dimension to globalisation and move decisively to ensure that core labour standards are guaranteed in the global trade and investment system;
- Build on the principles established at the London G8 Jobs Conference and implement a strategy for employability and social inclusion through non-discrimination, quality labour market policies, lifelong learning, a partnership for workplace change, combating low pay, and the attenuation of unemployment and poverty “traps” in social benefit systems;
- Implement a strategy for sustainable development.

In terms of the “big picture”, one can sum up the last fifty years as follows:

- | | |
|-------------|--|
| 1948/1950s | Post-war reconstruction and productivity growth |
| 1960s/1970s | Era of (Keynesian) demand management policies and initially full employment, with onset of external shocks (oil and finance) in mid to late seventies, inflation challenge |
| 1980s | Decade of deregulation, structural adjustment policies, soaring unemployment, currency imbalances |
| 1990s | Particularly in the late 1990s, expansion of globalisation, and a resurgence of debate about the role of government policy. |

TUAC Historical Overview

The Marshall Plan and origins of TUAC

The offer of US financial aid to help rebuild Europe's war-ravaged industries and assist in the rehabilitation of the continent's war-weary peoples, made by Secretary of State George Marshall in June 1947, made possible a much earlier recovery than would otherwise have been conceivable. The trade union movement played a vital role in mobilising support for the Marshall Plan among working people in Europe. Undoubtedly without that sustained and uncompromising support the Marshall Plan could not have succeeded, and the course of history in the post-war period would have been quite different.

It was precisely on the question of whether the unions should support and co-operate with the Marshall Plan authorities that a fierce debate took place, culminating in a split in the World Federation of Trade Unions. As a result, the non-communist unions left the WFTU in January 1949 and, at the end of the same year, the International Confederation of Free Trade Unions (ICFTU) was founded.

Meeting near London in March 1948, about 50 representatives of European and American trade unions from 15 countries formulated their policy towards the Marshall Plan. Giving the plan their unanimous support, they decided to maintain continuing liaison with the Marshall Plan Administration through a committee to be known as the Trade Union Advisory Committee (TUAC).

Vincent Tewson, then General Secretary of the British Trades Union Congress (TUC) was elected as the Committee's first Secretary. The conference's concluding statement expressed support for the European Recovery Programme and pledged that the trade union organisations represented would:

"Contribute to the establishment of the social, economic and political conditions which are essential to safeguard the principles of free citizenship and democratic institutions, and which above all can ensure a progressive improvement in the life and labour of the people".*

* The Role of Trade Unions in the Economic Development of Europe", ICFTU, Brussels, 1966.

The conference expressed satisfaction that no unacceptable conditions were attached to the offer of American aid and that there would be no interference in the internal affairs of any participating country. It urged the development of multilateral world trade and the restoration of the trading balance between Europe and the United States. Trade unionists were called upon "to give their wholehearted support to the necessary measures that each country must take to fulfil the requirements of each national production programme of economic renovation and modernisation which will together assist in developing those activities in economic co-operation which cut across national frontiers". Yet, at this stage it was already clear that trade union support was dependent on governments learning the lessons of the 1930's and pursuing full employment policies.

In June 1948 the TUAC set up an emergency committee to maintain contact and conduct negotiations with the Organisation for European Economic Co-operation (OEEC). Soon afterwards, co-operation with OEEC was set in motion after meetings with OEEC Secretary-General Robert Marjolin, and at an international trade union conference on the Marshall Plan in London in July 1948, Mr. Averell Harriman (US roving ambassador) stated: "All non-government groups and organisations – business, agriculture, science or education – can, of course, play a part in this work, but the international labour movement can do the most."

In December 1948, the OEEC Council officially recognised TUAC as the representative voice of organised labour in Europe. A permanent liaison office was established, with Walter Schevenels as the first General Secretary. He was also appointed General Secretary of the ICFTU European Regional Organisation in 1950 holding both positions until his death in 1966. Karl Casserini (Switzerland) worked with him as Secretary at TUAC until 1957, when he moved to Geneva to become Assistant General Secretary of the International Metalworkers' Federation. He was succeeded at TUAC by Charles Ford, who subsequently became General Secretary following Schevenels' death.

The foundations of standard TUAC working practices were laid in those early days. They comprised the provision of OEEC material to trade union national centres, the preparation by TUAC of analytical reports on current problems, and, from 1949, the issuance of information reports and a Labour News Bulletin which was widely distributed in political and academic circles.

Highlights of the early years

In 1949 the OEEC began to tackle the problem of co-ordinating industrial investment in Western Europe, and TUAC undertook research about wages, social charges and working conditions in iron and steel, textiles, chemicals

and coalmining. The OEEC was unable to prevail on all its member governments to give the go-ahead to pursue this co-ordination, some governments fearing that efforts to co-ordinate investment policies would entail increased public control over private industry.

At a full TUAC conference in Rome in 1950, a first attempt was made to draw up a firm trade union international policy on trade liberalisation, investment co-ordination and European unification. The concluding declaration *inter alia* foreshadowed the creation of the European Coal and Steel Community when it noted “whilst it is likely that co-ordination of production and investments may not be attained completely on the European scale, it is conceivable that such co-ordination could be achieved more easily in a number of key industries...” The statement also called for a united Europe to achieve political and economic integration.

A key event in the early years was TUAC's development of close co-operation with the OEEC's European Productivity Agency (founded in 1953). As the OEEC's main “operational branch” EPA's principal tasks were to:

1. Co-ordinate national productivity activities;
2. Encourage social research;
3. Promote training institutions;
4. Provide facilities for meetings between leaders of both sides of industry;
5. Exchange information on national and international achievements;
6. Work out policies for underdeveloped areas.

In May 1954, following a unanimous decision of the Trade Union Productivity Conference held in Paris, TUAC formally approached the OEEC Council of Ministers regarding the recruitment of trade unionists to senior OEEC secretariat posts dealing with labour problems. Ministers agreed and suitable appointments were made. Trade union officials thus played an important role in training trade unionists in productivity questions. European work-study visits for European and American trade unionists were also developed, and a conference on “Fitting the Job to the Worker” was organised in 1959.

In sum, the trade unions secured within EPA a high degree of participation and status, and the work carried out in the Labour and Social Factors Division was of particular value. In the early part of 1960, discussions in OEEC were much concerned with the question of creating a new successor organisation - in which the United States and Canada would be full members – and it was decided to wind up the EPA as an independent agency. In common with the employers, the unions fought to secure the continuation of the EPA's role, but governments decided the opposite. Union efforts to maintain the EPA must be seen in the context of strong trade union support for all institutions that contributed to unifying efforts in Western Europe.

OECD replaces OEEC

TUAC was consulted in the preparatory discussions preceding the setting up of the Organisation for Economic Co-operation and Development (OECD). The unions took advantage of this opportunity to remind the “four wise men” (from the US, France, Germany and the UK) charged with preparing the organisational change of the importance of establishing a framework of social justice, and full consideration for the human and social factors in all industrial, commercial and agricultural activities. TUAC consistently pressed for a strong OECD, an “indispensable prerequisite for the increasing co-ordination of economic policies”.

The work of the preparatory committee was approved at a meeting of Ministers of the 20 original Member countries, and the Convention formally setting up the OECD was signed on December 14, 1960 in Paris. Still current today, the Convention enjoins OECD policies:

- To achieve the highest sustainable economic growth and employment and a rising standard of living in Member countries while maintaining financial stability, and thus to contribute to the development of the world economy;
- To contribute to sound economic expansion in Member as well as non-member countries in the process of economic development; and
- To contribute to the expansion of world trade on a multilateral, non discriminatory basis in accordance with international obligations.

The twenty original Member countries of OECD were: Austria, Belgium, Canada, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The following countries subsequently became Members on the dates indicated: Japan (28 April 1964), Finland (28 January 1969), Australia (7 June 1971), New Zealand (29 May 1973), Mexico (18 May 1994), the Czech Republic (21 December 1995), Hungary (7 May 1996), Poland (22 November 1996), and the Republic of Korea (12 December 1996). In addition, the Commission of the European Communities takes part in the work of the OECD.

The OECD Convention provides for the establishment of a Council, the Organisation’s supreme body with power to take decisions and make recommendations with the unanimous agreement of its Members. The new organisation followed and strengthened the OEEC practice of consultation on the economic situation and policies of Member countries, a key element being the annual peer examination of each country’s economy and policies within the Economic Development and Review Committee (EDRC). The new organisation also set up a Development Assistance Committee (DAC) to monitor Members’ aid policies and flows through a peer examination process and to seek to expand and improve efforts to aid developing countries.

TUAC co-operation with OECD

In the same month as the OECD came into being, a special conference in Brussels of representatives of the free trade unions in OECD Member countries formally constituted the Trade Union Advisory Committee to OECD. With the United States and Canada now Members of OECD, the Congress of Industrial Organisations (merged with the American Federation of Labor in 1956 to become the AFL-CIO) and the Canadian Labour Congress became members of the TUAC. The Brussels meeting endorsed the objectives embodied in the OECD Convention, emphasising particularly growth and full employment goals, and urging a fairer distribution of the fruits of increased productivity. It was stressed that employment and manpower issues should be specially reviewed in country consultations, and the OECD was urged to develop and co-ordinate work on science and technology, with particular emphasis on social, labour and trade aspects.

In March 1962 the OECD Council confirmed the granting of consultative status to TUAC and to its counterpart on the employers' side, the Business and Industry Advisory Committee (BIAC), the consultations to be channelled through a Liaison Committee chaired by the OECD Secretary-General. The two committees, representing unions and employers, were recognised by OECD as having "wide responsibilities in general economic matters and substantially representing the non-governmental interests in question".

TUAC's membership during the 1960's covered both ICFTU and WCL and some independent organisations. There were twin secretariats staffed by the European regional organisations of the two bodies.

Manpower policy being a prime TUAC interest, the committee urged the merger of EPA's Social Factors division with the OEEC's Manpower division to form in OECD a new directorate for Manpower and Social Affairs. The directorate was headed for many years by Gosta Rehn, formerly of Sweden's national trade union centre – the LO. Solomon Barkin, of the United States, was his deputy.

In May 1964, after consultation with TUAC, the OECD Council adopted a formal recommendation on the use of manpower policy as a means to promote economic growth, and countries were asked to re-examine their manpower policies with the aim of tackling employment problems caused by technical and economic change. Also, examinations of Member countries' manpower policies regularly took place in the Manpower and Social Affairs (MSA) Committee in the same spirit of "peer pressure" as practised throughout OECD, and notably in the EDRC (see above).

The 1960s were a particularly intensive period for developing the work of the Manpower and Social Affairs Committee and directorate, as well as

consulting with the “social partners” in the framework of the OECD’s Labour/Management Programme. In the five years from 1963 to 1968, for instance, some 24 conferences and seminars took place.

From 1966 onwards, TUAC specialists participated in MSA working parties dealing with specific aspects of manpower policy and were able to influence governments’ policy thinking. Already at that time TUAC input focused strongly on issues related to education and training for the workforce.

On **economic policy**, during the entire OEEC period, TUAC consistently urged the Organisation to place a paramount priority on the need to achieve and sustain full employment, more adequate growth rates, and full utilisation of capacity. In November 1961 – and this is not without irony in the difficult days of the 1990s – the OECD Council of Ministers set a target of a 50 per cent increase in the real GNP of Member countries, to be attained during the period 1960 to 1970. This required an average annual growth rate of 4.2 per cent.

A TUAC memorandum to the OECD at the end of 1962 endorsed the 50 per cent growth goal, noting that “full employment is a major condition for obtaining the optimum rate of expansion” and calling for measures to prevent recessionary declines or at the least to minimise their effect if they occurred. In this period of the “high noon” of demand management policies, the TUAC General Assembly in Geneva in 1964 unanimously supported the OECD growth target, urging country-by-country implementation of suitable policies to achieve the goal.

A 500-page report on **incomes and prices policy** drawn up by six experts appointed by OEEC was published in May 1961. It expressed the view that excessive wage demands lay at the root of inflationary pressures, and was used by some governments to justify wage restraint policies. Its three main conclusions, contested by TUAC, were:

- a) An analysis placing the onus of blame for inflation on trade unions;
- b) A call for substantial changes in the legal rights, privileges and responsibilities of trade unions;
- c) Advocacy of a wages policy to ensure that wages keep in line with productivity.

TUAC argued that the growth objective had long been subordinated to the goal of price stability. It made clear that unions were not systematically opposed to an incomes policy, but that such a policy could only be accepted in the right social and economic context. TUAC rebutted point *b*) in the conclusions on the grounds that it lay outside the experts’ mandate, was unsupported by evidence, and was anyway not a view that economists *qua* economists were qualified to express. This particular conclusion in the OEEC report sank without trace and was never resurrected by OECD.

The essence of the differences over the report's conclusions was the following: the experts believed governments should have a wages' policy, *i.e.* a reasonably precise view of the average wage increase appropriate to the economic situation and consistent with the stability of the price level – but no policy measures were proposed for non-wage incomes; TUAC's view was that while an argument could be made for planning or guiding incomes, or for leaving them unplanned and unguided, there was nothing to be said for planning or guiding half the incomes and leaving the other half completely free.

The wages and prices controls debate was one of the liveliest between OECD and TUAC at that time, and in the end the TUAC argument carried the day. The OECD published a study on non-wage incomes, which recognised the validity of the trade union argument that, where incomes policies were adopted, they should embrace **all** categories of incomes. A supplementary source of satisfaction was that, whereas the OEEC report had engaged only the responsibility of its six authors, the subsequent OECD report carried the full authority of the OECD itself.

An OECD activity that attracted strong support from TUAC was the effort to expand and co-ordinate aid to less developed countries through the Development Assistance Committee (DAC). TUAC organised a special meeting on aid in June 1962, and maintained contact with the DAC and the OECD Development Centre in the ensuing years. TUAC raised the alarm about developing countries' financial situation as early as 1966 when it sent a memorandum to OECD expressing concern at the difficulties caused by the fast-rising debt burden.

By 1968 – on the occasion of its twentieth anniversary – TUAC represented 21 national trade union organisations affiliated to the ICFTU and eight affiliated to the Christian International the WCL. At the time, the chief officers were: President: W.F. van Tilburg (Secretary of NVV, Netherlands), Acting General Secretary: Charles Ford. Work focused on the following main issues:

- A campaign for a return to full employment and adequate rates of growth;
- Discussion of ways of increasing market outlets in industrialised countries for developing country exports;
- Close contacts with the OECD Industry Committee, and its special working parties;
- Education and vocational training questions;
- Technological gap problems.

Bearing in mind unemployment numbers of the 1990s, it is instructive to recall a TUAC note of 30 years ago reporting on an OECD Ministers' meeting and OECD Liaison Committee discussions. It said: "The TUAC spokesmen pointed out that high levels of unemployment still existed in Europe (at the time of writing there are still over half a million

unemployed in Britain and about the same number in France). A greater sense of urgency about the situation was needed than emerged from the Ministerial communiqué. The OECD should discuss immediate measures to prevent a worsening of the situation. There must be a concerted policy within OECD to increase growth, reduce unemployment and assist in the recovery of world trade.”

The passage gives a flavour of the epoch and the preoccupations which most concerned policy makers. Another event of that period was a seminar on the education and training for the metalworker of 1980, held in Paris in October 1968, and jointly organised by TUAC and the International Metalworkers' Federation. The forty trade unionists from seven participating countries and government and other experts present concluded that, with people in general seeking more control over their lives, there was a need for greater efforts in the field of adult education to prepare for increased democracy at the work place. TUAC's involvement in major industrial sectoral developments led in 1966 to a seminar on employment in the European aerospace industry, a sector at the time grappling with an ineluctable need to reduce manning levels, intense competition from the United States, and whether or not to go ahead with Concorde!

An illustrative occasion at which TUAC participation was of timely analytical value to affiliates during the 1960s was an OECD Science Ministers' conference in March 1968 on the technological gap problem. Preparatory work looked at education, technological innovation, and research and development resources in member countries, with a special focus on the United States, France, Germany and the United Kingdom. Conference conclusions emphasised the importance of technology transfer, of maintaining unimpeded the flow of licensing agreements and foreign investment.

Charles Ford was the Secretary and then General Secretary of TUAC, succeeding Karl Casserini in 1957. Charles Ford himself left TUAC in 1971 to become General Secretary of the International Textile, Garment and Leather Workers' Federation (ITGLWF). This was not before the twin WCL and ICFTU secretariats servicing TUAC were merged as of January 1971. The first TUAC General Secretary to be appointed following the merger was Henri Bernard, a former staffer of the ICFTU. In October 1971, the TUAC marked the tenth anniversary of its association with the OECD at a ceremony held in Brussels. Among those present were TUAC President G. H. Lowthian, former General Secretary Ford and OECD Secretary-General Emile van Lennep.

Earlier, in 1964, the issue of respect for fundamental trade union rights came to a head over Franco's Spain. The regime insisted that the government-controlled workers' councils take part in the OECD Labour/Management Programme. TUAC warned that if they did so, no other worker representatives

would participate. This was the first but not the last time that fundamental labour rights in OECD countries have proved to be a key issue in OECD/TUAC relations. They arose with the imprisonment of the leadership of the Disk union in Turkey under the military regime in the 1980's and they remain a key issue in Korea.

The oil shocks and the shift to monetarism

If at the start of the 1970s the world economic picture was still fairly rosy, it was a false dawn. Bad news was not far off for labour markets and for working people and their families, because inflation was already becoming the number one concern of government economic advisers and policy-makers. The first oil shock (1973-74) was to prove a traumatic trigger. Even though much of the four-fold increase in the price of oil was absorbed over only a few years, thanks to the development of more fuel-efficient engines and energy-saving, as well as a fall in the number of oil-consumers, the oil price hike left a major scar not just in the shape of its immediate effect, but, perhaps more seriously, in people's mentalities.

Industrialised governments' response was a co-ordinated effort to reduce dependence on the oil producers. This led to the creation of the IEA within the OECD orbit. However, if the importance of the OECD on energy policy was increasing, its broadly Keynesian economic policy stance did not withstand the second oil shock. Influential OECD economists such as Stephen Marris left the organisation and one after another, governments set off down the path of monetarism and supply-side reform. By the early 1980s the battle against inflation was on, and by the middle of the decade starting to yield results. In the OECD as a whole, excluding a small number of high-inflation countries, the average consumer price index was pegged back from 12.3 per cent in 1980 to 2.5 per cent in 1986. According to OECD statistics, the G7 countries' unemployment rate went from 5.3 per cent in 1980 to 7.1 in 1986. In terms of those out of work, the figures soared from 23 million in 1981 to just under 30 million OECD-wide in 1986 (compared with some 35 million today).

At the same time, under the thrust of **structural reform policies, privatisation, and budget stringency**, public services such as education, health and social welfare, started to feel increasing pressures. This emerging range of problems was tackled in a timely OECD "Conference on Social Policies in the 1980s", which resulted in a publication "The Welfare State in Crisis" (OECD 1981). In the words of the preface to the report, "Lower growth means that we cannot avoid the need to remodel our social policies, whilst still ensuring the necessary minimum levels of protection which a modern, industrialised democracy is bound to provide for its citizens. It is not the axe which is needed, but some very skilful social surgery".

These were the years of President Reagan, seen by many – not least outside the United States – as the white knight of deregulation and champion of an unfettered market system. In the United Kingdom, it was the heyday of Mrs. Thatcher (the loss of much traditional manufacturing and large-scale closures of uncompetitive “smokestack” industries, privatisation, and confrontation with the unions). These two role models combined to swing the balance in economic policy preference in many OECD countries away from views held by organised labour. Progressively, supply-side reforms were introduced on a wide scale, bringing disastrous consequences for employment, increasing insecurity for those in work because of the growing prevalence of short-term contracts and generally poorer working conditions especially for the low-skilled, as well as pressure on state welfare systems, and the public sector in general in most countries.

They were also challenging times for the TUAC/OECD dialogue. This was not only because of the difficult economic situation. It was also for another reason. At the time, the United States had left the ILO. The AFL-CIO was thus deprived of that international access (and was not yet a member of the ICFTU). But on the part of the OECD Secretariat there was undisguised mistrust *vis-à-vis* TUAC over one specific point. Since the AFL-CIO found in TUAC a useful institutional point of contact with the main western European union centres, the OECD’s Secretary-General at the time (Mr. van Lennep) was convinced that TUAC had a secret agenda to transform the OECD-TUAC-BIAC relationship into a tripartite negotiating forum for government, unions and business. TUAC General Secretary Karl Tapiola confided later that he spent much time reassuring the OECD official that no such plan existed.

If the late seventies and eighties were difficult times for the labour movement and trade unions because of international economic pressures, and unfavourable developments on most domestic fronts, they were also years in which there were opportunities for TUAC. In 1975, French President Valéry Giscard d’Estaing hosted the first G7 summit, held in the almost intimate surroundings of the Château de Rambouillet.

These summits gradually took on increasing importance – and staffing. After the second summit at Puerto Rico in 1976, the London summit of 1977 became the first to invite trade unions to contribute a paper for its main economic debate. TUAC was the natural place to pull together such a contribution, and subsequently, thanks to good high-level union contacts in Germany and Japan, TUAC was called upon to contribute to the Bonn and Tokyo summits in 1978 and 1979. At that point it became a standard exercise for TUAC to contribute to the annual G7 summits. Thus even when there was no union-government dialogue at the national level, unions knew their voice would be heard through TUAC. In the OECD context, in 1978, thanks to the personal relationship between AFL-CIO treasurer Lane Kirkland and US economic presidential adviser Charlie Schultz, TUAC was invited to hold consultations

with the chairman of the OECD's Economic Policy Committee (EPC), a post then held by Schultz. This, too, was an important step in the evolving TUAC/OECD relationship.

Controlling multinationals versus freedom of investment

The mid-1970's was also the period that produced a series of essentially voluntary OECD instruments governing international investment including the OECD Guidelines for Multinational Enterprises (1976). Given the subsequent history of the negotiations on the Multilateral Agreement on Investment, OECD governments could probably usefully dust off those files. Though in need of some updating, the OECD Guidelines of 1976 (and the subsequent ILO Principles which largely draw upon them) constitute a valuable basis for a general code of conduct for multinationals. Such a code will notably need to cover the new social dimension, concerning the environment, international labour standards and workers' rights.

Karl Tapiola, who was TUAC General Secretary from 1978 to 1985, made the following points about how he saw his role: "My brief at TUAC was really threefold. First, I had to develop the G7 summit work which had started in 1977, and which was specially useful for the leaders of our big union federations in their contacts with their national delegations. Secondly, there was a need to increase cohesion within the TUAC membership structure, especially important with regard to questions such as the treatment of multinational issues within OECD. Thirdly, it was important to build up the TUAC relationship with OECD through wider consultations with different OECD committees, thus substantially increasing our input into OECD work, with particular visibility for important pre-ministerial discussions. Additionally, improved relations with OECD and augmented input into OECD work made TUAC a stronger channel of greater use to our membership on all issues touching upon their interests as related to OECD – and in that respect I am eternally grateful to René Salanne of the French CFDT for his good advice early on in my period in office to concentrate on "putting the OECD into plain language".

"It was important to explain to our members what the OECD was doing, saying and trying to achieve. It was a case of seeking to bring our members' views into the policy debate taking place within OECD, and informing them of what was said at the Château de la Muette. In carrying out our role *vis-à-vis* the OECD, we made a point of always being factual. We avoided propagandist rhetoric, and have always been taken seriously as a result. For instance, one thing we were able to alert our members to very early on was the use at OECD of the phrase 'labour market flexibility'. We mounted a counter-offensive in which we tried to get acceptance for the word 'adaptability'. We were not entirely successful, but the point was made."

The North-South debate

If structural reform, privatisation and fiscal deficits were common words in the context of OECD national economies, from the end of the 1970s onwards the “buzzword” in the realm of international economic co-operation was “**global interdependence**”. The group of developing countries known as “the 77” – though there were many more than that number in the group by the 1980s – had their own agenda for world economic reform: the New International Economic Order. In the international debates of the decade this concept was pitted against the “global interdependence” analysis put forward by the OECD group of countries.

The debate took place within what was known as the “North-South dialogue”, which began in the 1970s in the wake of the oil crisis, and the earlier commodity price boom of 1972-73. Global interdependence was given the following definition by OECD Secretary-General van Lennep in a speech in November 1979: “We do not see interdependence as the blind working of market forces favouring the strong. World economic interdependence needs to be managed. It needs to be supported by a system of rules and safety nets providing a minimum of stability, predictability and economic security with special regard for the weaker and more vulnerable partners; it needs cooperation to promote and facilitate constructive structural change”.

There could be little to argue with in this definition, and indeed TUAC in close association with the ICFTU and WCL had long urged the need to improve the volume and quality of aid resources to developing countries and also to facilitate trade opportunities for their exports to the industrialised world, so as to enable them to acquire some – however modest – stakeholding in the world economy. TUAC thus co-operated actively with the ICFTU and WCL in the various major UNCTAD and UNIDO meetings that took place during the 1980s.

Another of the “buzzwords” of the 1970s and the 1980s was “**stagflation**”, a condition which prevailed widely throughout the OECD area and whose existence was the main justification of policy-makers for maintaining non-accommodating monetary and fiscal policies firmly in place lest the “inflation beast” run loose once more. The new OECD orthodoxy was that demand management policies could do little to solve the unemployment problem and labour markets had to be “made more efficient and flexible through policies of a structural nature so as to increase their capacity to bring labour supply and demand into better balance” (E. van Lennep, Brussels 1981).

The “fight back on employment”

Thus monetarism, deregulation and the idea that the market could “do no wrong” occupied the ideological high ground in the international economic

debate of the 1980s. Trade unions throughout the OECD area were on the defensive, most of them virtually powerless to block the relentless advance of unemployment. Governments' economic policy was to give priority to the fight against inflation, as was seen at the 1981 annual OECD Ministerial meeting when countries were split on the issue, with a majority in favour of taking an anti-inflation stance ahead of a pro-employment position.

Amounting to 3.6 per cent of the total labour force in 1974, the unemployment rate in the OECD as a whole reached 7.8 per cent in 1985 and has moved little since then (7.3 per cent in 1997 and an estimated 7.0 per cent in 1998).

Deregulation, the expansion of small businesses – often in the service sector – and the break-up of many traditional juggernaut corporations, as well as declining union membership, are among the reasons advanced for the difficulties faced by trade unions, in finding ways to combat unemployment in many countries.

Despite these difficulties, TUAC continued to argue for a co-ordinated economic policy response to create jobs. Nordic unions played a particularly active role, holding the chair of the TUAC working group on economic policy firstly through Clas-Erik Odhner of the LO-Sweden, then through Poul Nyrup Rasmussen of the LO-Denmark (subsequently Prime Minister of Denmark). The latter piloted through a joint Nordic-German trade union study entitled "It Pays to Co-operate" and issued in 1985, which used OECD interlink models to quantify the unions' proposals.

BIAC/TUAC dialogue

Interestingly, this approach found some support amongst employers' organisations. In April 1986, TUAC and BIAC issued a joint statement to the OECD Ministerial Council. Chairmen David Basnett (TUAC) and Curt Nicolin (BIAC) said they shared "a common concern over the level of unemployment, the need for growth and the need to restore the manufacturing base in the OECD area". In a text later quoted in the Kreisky report on "Full Employment in the 1990s", the BIAC-TUAC statement begins: "A society that does not consistently offer meaningful, productive and remunerative job opportunities to all who are able and willing to work cannot avoid social instability. Unemployment benefits and social welfare payments, though necessary, cannot recompense for the meaninglessness, worthlessness, insecurity and isolation, which result from a fruitless job search – with social polarisation and fragmentation among the consequences".

Four years later, shared concerns prompted another joint BIAC-TUAC statement, this time on education and training, to a meeting of OECD Education Ministers in November 1990.

The critique of “globalism”

The OECD-TUAC Liaison Committee meetings were often occasions for plain speaking. In December 1991, for instance, TUAC President Lane Kirkland (AFL-CIO) told senior OECD staff: “consider for a moment the notion that OECD might be wrong [...]” (then recalling a recent trade union and business leaders’ gathering) “there was not one chief executive officer who would agree with OECD’s projections or with those of the US government...”

Two years later, in November 1993, Mr. Kirkland warned the same group that “every economic or social problem which governments have to face today has its roots in the absence of work opportunities and decent wages”.

By the late 1980s the growth of **foreign direct investment (FDI)** became the main factor driving increased economic interdependence. FDI grew twice as fast as trade during the decade, slowed in the early 1990’s before picking up again in 1994, and rising to record levels the following year. The resulting deepening of international and foreign ownership led one OECD report to state “never before have so many firms from so many industries invested in so many countries”.

An even more rapid development has been the globalisation of **financial markets**. The appearance of the “eurodollar market” in the 1960’s was followed by the collapse of Bretton Woods in the 1970’s and the removal of capital controls and deregulation of the financial sector in the 1980’s. The result has been an explosion of cross-border lending, the appearance of new financial “products” and the emergence of an oligopolist structure of global financial institutions. Daily foreign exchange transactions amount to more than \$1.2 trillion (\$1.200 billion), reducing national sovereignty and shifting power from governments to financial markets. The crisis in Asian financial markets in October 1997 and its spread world-wide provided a graphic illustration of the realities of financial market globalisation.

At the same time the development and diffusion of **technology** to a global level has been a key factor in determining competitiveness in many of the growth sectors. The integration of information and communications technology has led to such phenomena as the “global information society” which is having a radical effect on the organisation of the production of goods and services. Alongside technological change, the policy shift to **deregulation** in the 1970’s and 1980’s has clearly both stimulated the globalisation process and been a reaction to it.

In an interesting speech delivered in December 1997* on “Economic globalisation and the need for a social dimension”, current TUAC General

* “Anniversary Seminar of the Japanese Trade Union Research Institute” (RIALS), Tokyo, December 1997 (available on the TUAC Web-site).

Secretary John Evans makes a key distinction: “For the ‘free market’ right... globalisation is being used as a catalyst for a new round of policies to ‘roll back the state’ at a time when the enthusiasm for the Reagan and Thatcher supply-side resolutions of the 1980s has clearly flagged”. He adds: “...for some on the ‘left’ globalisation represents a convenient opportunity to rediscover a capitalist conspiracy or reassert the concept of “socialism in one country”. But a populist reaction is dangerous terrain. [...] The real ‘conspiracy’ is not globalisation, it is to argue policy paralysis as a result of it.” What is needed is a “social” agenda, comprising i) trade and investment rules and core labour standards, ii) a “socially acceptable” model of competitiveness based on a high set of labour standards and not on low wages, and iii) international economic co-ordination in working towards a new world economic architecture, embodying many reformed elements including changes in institutions like the IMF and World Bank, as well as the adoption of national and international measures, such as increased transparency and governance in the banking sector, or the “Tobin tax” proposal to deal with the problem of destabilising speculative capital flows.

The conclusion is “The response of the trade union movement to globalisation cannot be to bemoan changes or react defensively. It must be to respond and manage them. To fulfil the legitimate aspirations of consumers, employees, investors, markets require effective governance, whether or not they are organised on a national, regional or global scale. Against a background of globalisation it is the forms of governance that have to change not the principle. The challenge is to shape that debate.”

TUAC General Secretary John Evans, who took over from Karl Tapiola in 1985, identifies the key tasks and challenges currently facing the group as follows: “The TUAC role is very much a two-way street: TUAC’s voice must be heard in OECD discussions but we also must ensure our affiliates are aware of where discussions stand on issues likely to influence their own operating policy environment. OECD’s role is to establish a centre of gravity of governments’ thinking on policy – especially in the globalised environment. So it’s very important to try and influence the centre of gravity in a direction which we believe is in the interest of working people, trade union members and their families.

“My experience is that, despite all the differences that can exist in national situations, TUAC statements act as benchmarks of unions’ positions. They represent a coming together of ideas in the face of global developments. This is specially important at the level of G7/G8 summits, or with respect to major international gatherings such as OECD ministerial meetings or conferences like those on employment issues in Lille (1996) and Kobe (1997). Several times a year now we are able to put the international trade union movement’s views across in important forums.

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“Governments realise they must take account of these views – as recent events in Asia, and the globalisation debate have shown. Governments need to see how policies work in practice, and for that the right channels are required. TUAC is one of these channels, so our way of working has certainly stood the test of time. In fact, this aspect is specially important today, with the need for the OECD to extend its dialogue into a wider framework, as indicated by the way globalisation is going. For instance, I am absolutely convinced that a lack of trade unions in an industrial structure can be a major weakness for a country – as Korea showed. Contrary to the conventional wisdom of the 1980's, unions are part of the solution – not part of the problem!

“So the OECD needs to exploit its comparative advantage – that is, its ability to tackle subjects across the board, and resist its current budget pressures. OECD member governments and our TUAC affiliates alike have a tremendous need for work that impinges directly on their interests. I am thinking of three big items on the current agenda: *i)* employment issues in the broadest sense *ii)* the policy response to the challenge of globalisation, and *iii)* co-operation with emerging and non-member countries where the OECD has a great deal to offer – not least regarding the challenge of sustainable development, a new issue that is assuming rising importance.”

Conclusion

At the dawn of a new millennium one is reminded of the achievements of mankind in the scientific and technological fields. These accomplishments are truly amazing, but they cannot hide how much still remains to be done in solving problems that have faced mankind for centuries. Eradication of poverty, creation of employment, job satisfaction, social insertion, education for all, health and welfare are some of the challenges that for many people are still unmet, or at best, partially met.

The TUAC tries to advance the cause of working people in these different domains. Sometimes, it has to make a stand. This was the case when it reminded the previous Korean government of the need to respect labour and human rights. It is to be remembered that the ultimate aim of economic activity is not to assemble tidy balance sheets or huge profits for shareholders and investors. It is, above all, to provide a livelihood, satisfaction and rewards for those who generate that economic wealth – be they shopfloor workers or service sector computer operators.

TUAC's role is also to warn governments of the dangers of failing to prevent more people in the OECD area from falling into poverty. The rising incidence of poverty amongst disadvantaged groups such as single parent families – mostly

women – and ethnic minorities, risks creating a social time bomb in increasingly polarised societies in many countries.

The international trade union movement as a whole stands at a crossroads. Globalisation is pushing trade unions towards more international cohesion. The European Trade Union Confederation (ETUC) reflecting the impact of EMU, wishes to move to more co-ordinated collective bargaining. The ICFTU and international trade secretariats are seeking to build global trade union counterweights to global corporations. TUAC has built up a unique role in having access to and influence on governments when they meet at the OECD or G7.

In only the last three years – since 1995 – TUAC has issued no less than 50 public statements relating to G7 summits, OECD main Ministerial conferences and special high level meetings. The latter have covered, for example, employment, education, electronic commerce, the environment, financial markets, multinational enterprises and multilateral investment, international tax issues, social policy, trade and labour standards. With a total staff of only half a dozen people, the significance of this output and its relevance are impressive. The quality of the relations between TUAC and its affiliates, the sustained intensity of their interest in the issues facing policy makers, and the worth of the dialogue with OECD, are to my mind proof that this work is making a valuable and sustained contribution to the progress of social and economic policy.

TUAC President Bob White (CLC Canada) contributes these closing words: “The OECD has always played an important role in setting the economic policy agenda of member governments, through research and through discussions which lead to the development of a consensus. Unfortunately, OECD work in the 1980s and 1990s has been dominated by neo-classical “free market” philosophy and the organisation has seen growing unemployment largely as a function of labour market “rigidities”, rather than as the result of the restrictive macro-economic policies it has prescribed. The OECD has also tended to uncritically embrace market liberalisation, as in free trade, deregulation and privatisation, minimising the need for governments to put a social context around markets if they are to result in shared progress. TUAC has had some influence on the internal debate within the OECD, and those who follow the work of the organisation closely will know that it is far from monolithic. The TUAC role will, hopefully, become more central now that it has become clear that the radical liberalisation agenda has failed to build a stable and growing international economy, and has fuelled growing inequality and exclusion. The OECD could and should be at the cutting-edge of developing a new, more balanced consensus over the necessary role of both markets and regulation in a democratic society, and TUAC will continue to push the organisation in that direction.”

Annex

List of Abbreviations

BIAC	Business and Industry Advisory Committee to the OECD
EMU	European Monetary Union
EPA	European Productivity Agency
ETUC	European Trade Union Confederation
ICFTU	International Confederation of Free Trade Unions
IEA	International Energy Agency
ILO	International Labour Office
IMF	International Metal Workers' Federation
IMF	International Monetary Fund
ITGLWF	International Textile, Garment and Leather Workers' Federation
OECD	Organisation for Economic Co-operation and Development
OECD/MSA	Manpower and Social Affairs
OEEC	Organisation for European Economic Co-operation
TUAC	Trade Union Advisory Committee
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization
WCL	World Confederation of Labour
WFTU	World Federation of Trade Unions

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Mr. Vladimir BELOVIC	Expert Confederation of Trade Unions of Slovak Republic (KOZ SR)	Slovak Republic

Invited Guests

Mr. Dominique BALLE	Sous-Directeur Banque Française de Crédit Coopératif (BFCC)	
Ms. Aline BARA CROS	Banque Française de Crédit Coopératif (BFCC)	
Mr. Henrl BERNARD	Former General Secretary of TUAC	
Mr. Lennart BODSTRÖM	Former President of TUAC	
Mr. Andreas BOTSCH	Member of TUAC Staff on secondment	
Mr. Charles FORD	Former General Secretary of TUAC	
Mr. Peter GASKELL	Former Press Officer, OECD	
Mr. Ron GASS	Former Director of Manpower & Social Affairs, OECD	
Ms. Maria Angeles INURRITEGI		
Mr. Herbert LAHNER	Former Deputy Head of External Relations Division, OECD	
Mr. Jean-Daniel LEROY	Director – Office in France International Labour Office (ILO)	
Ms. Françoise LIEGEOIS		
Mr. Stephen McCLELLAND	Former Member of Staff of TUAC	
Mr. Bernard MOURGUES	Former Member of the TUAC Administrative Committee	
Ms. Bénédicte MUSCH		
Mr. Jean-Claude PAYE	Former Secretary General of the OECD	
Mr. Udo REHFELDT	Institut de Recherches Économiques et Sociales (IRES)	
Mr. François ROUSSEAU	Former Deputy Head of External Relations Division, OECD	
Ms. Penny SCHANTZ		
Ms. Jarmila VELTRUSKY		

Press

Mr. Gunther ADOLPHSEN	Journalist – Borsen DK
Mr. Nicolas DANIELS	Journalist – Le Figaro
Ms. Joelle KUNTZ	Journalist – Le Temps
Mr. Philippe REAU	Journalist – Syndicalisme Hebdo
Mr. Jean-Pierre ALLIOT	Journalist – FO Hebdo

TUAC Secretariat

Mr. Roy JONES	Senior Policy Adviser
Mr. Roland SCHNEIDER	Senior Policy Adviser
Mr. Lucien ROYER	TUAC/ICFTU Co-ordinator
Ms. Michelle VEDEL	Administrative & Financial Assistant
Ms. Brigitte POMEL	Secretary
Mr. Pierre BENIELLI	Secretary
Ms. Vihara BANDARAGODA	Trainee