

**OSLO CONFERENCE “PARTNERSHIPS FOR SUSTAINABLE
DEVELOPMENT”**

SESSION 2

**“HUMAN RIGHTS AND DECENT WORK: TOWARDS
UNIVERSAL RESPECT AND OBSERVANCE”**

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OECD**

I am pleased to address this session on behalf of the global trade unions. I represent the Trade Union Advisory Committee to the OECD that brings together trade unions representing some 60 million workers in the industrialised countries. TUAC gives workers a voice that has to be heard in the international financial and economic institutions –such as the OECD. But today I am also replacing Sharan Burrow who was to speak as president of the newly formed International Trade Union Confederation, but regrettably could not be here today. The ITUC was created last November and now represents

some 168 million workers globally. In January the ITUC, TUAC and the Global Union Federations that represent workers internationally by sector also created the Council of Global Unions. This unification of the international labour movement is a very visible part –but still only part of the response of the trade unions to the globalisation of markets that we have been hearing about today. The objective of unification is to provide effective representation for working people in the global economy. That is our mission and that is why I am pleased to be here today.

When I talk to the working people and their families that we represent they are worried over their and their children's futures. The worry certainly reflects the sustainability of current consumption and production patterns given the now clear evidence of climate change. But they are also worried about their own living standards. Of course the situation is far more dramatic for the 1.4 billion people who still try to live on less than 2 dollars a day. The film showing the replies of children to issues of human rights shown at the beginning of this session was illuminating – but I also wonder what the replies would

have been of child labourers toiling on rubbish dumps or the streets of so many countries in the developing world.

Workers do not see the newly created wealth that has been talked about by some economists and business men as the fruits of market driven globalisation “trickle-down” to them and their families. The benefits are accruing to a few at the top of the income scale, while the overall share of wages in national income has been falling as never before in history. The decline in wage share has been most moderated in the northern European countries through the sort of “social partnership relations that have thrived here in Norway. But it has nevertheless occurred in the vast majority of countries surveyed by the OECD. The drop in labour’s share has been most extreme in the “deregulated market countries”. In the United States, it has declined ten percent between 1970 and 2005 to 45.3 percent - the lowest share ever reached – whilst the share of corporate profits has risen to its highest level since the 1960s. The historical relationship between higher productivity and real wage growth that led to broadly shared

prosperity in the years after World War II has been broken over the past two decades.

There is also a disturbing surge of inequality in developing countries, hindering poverty reduction strategies, and a decline in the wage share in the major emerging economies, notably China and Brazil. The ILO has said in its report to G8 labour ministers last year that “there is a serious and worsening global jobs crisis. This deficit of decent work is most apparent in the developing world but is also affecting industrial countries directly and indirectly”.

It would be stupid to lay all the blame for this situation at the door of globalisation – there was a dearth of decent work before the current surge of globalisation – however one fact about global supply chains that according to some business leaders such as the head of IBM have replaced multinational enterprises as the dominant form of business model – is that it has given employers and investors an exit option in any given market or, being old fashioned as I still like to call them – nations.

So there is a paradox between the laudable objectives of achieving partnerships for sustainable development and sustainable enterprises that are proposed at this conference and the sort of positive business conduct that you have heard of this morning on the one hand; and the threats by employers to relocate activities to other countries and the pressure for short-term profit from “new financial investors” such as private equity and hedge funds on the other.

So we face the challenge of achieving just and fair globalization. First and foremost this requires governments to regulate and put the floor in labour markets by ensuring the respect of core workers rights as defined by the ILO – that is the corner stone of decent work. CLS are rights to organize and bargain collectively, to be free from discrimination, forced labour, prison labour and child labour.

The right to organize is basic human right –but we also know that when workers are free to form unions this is a key part of the solution to growing inequality – where unions exist and bargain there is less

low pay, more secure work, less corruption often more efficient economies and certainly more just societies.

Unions have our own responsibilities to do be more effective but we need for rights to organise to be respected. These fundamental rights of workers as defined by the ILO must become an international benchmark applied through different international institutions – the IMF, World Bank, WTO and the OECD. Governments have to work on the effective regulatory response that includes enforcement of workers rights in trade agreements, international agreements on taxation and more binding rules on corporations to respect workers rights. Assuring these human rights of workers must become as important an objective of international trade and investment agreements as protecting intellectual property rights and other corporate interests.

I have read with great interest the report of John Ruggie that has been referred to today. I certainly share the view that on decent work and enforcement of workers' rights we have to progress by several routes at the same time. TUAC will seek to ensure this through the OECD in

the recommendations for foreign assistance adopted by the Development Assistance Committee for poverty reduction and more effective application of CSR instruments such as the OECD Guidelines for Multinational Enterprises. We want to work with companies to ensure that they are applied more effectively in regions such as China and with governments to develop more effectively operating National Contact Points (NCPs) –still too few of which do their job properly. However of the 80 or so cases raised under the Guidelines since 2000 a score or so have led to positive outcomes – this is not enough but it is not a negligible outcome. We have to have more transparency from companies and are taking part in the Global Reporting Initiative – the GRI to try to ensure that there is clearer and more comparable information from companies’ sustainability reporting.

Firms should be ready to negotiate Global Framework Agreements with unions. The GUFs have also now negotiated more than 50 agreements with major multinationals – such as the agreement referred to today between Chiquita and the IUF.

But under the rules of the new capitalism I have to pose the question -
– who are our partners?– I was in Chile a few months ago and saw the
social and environmental non sustainability of the salmon farming
industry – much now owned by Norwegian investment funds. I fear
that when the human and the natural resources have been exhausted –
the finance will move elsewhere.

The integration of the three pillars of sustainable development –
environmental, economic and social must be a central concern for us
all – jobs and distribution issues and environment issues have to be
brought centre stage. Pressures for increased short term financial
profit that is now becoming the predominant driver in business are
militating against long term value creation, decent work and
sustainable development.

But to face this challenge I ask myself each day – do we not need
more and better government regulation? Is it realistic to ask opaque
partners in private equity funds to behave “responsibly”? These are

some of the questions that we will be putting to G8 leaders when we meet later this summer.

I will conclude on a different note that links this session with the theme of the Bruntland report and that is how to put the creation of decent work into environmental strategies? When unions met with Achim Steiner of UNEP recently – who is speaking this afternoon- he said that we have to bury the old jobs versus the environment debate- I couldn't agree more. One of the reasons for the lack of attention to the employment consequences of both the impacts of --- and the policy responses to--- climate change is the lack of sufficient attention to the potential employment consequences of adaptation and mitigation measures. At the same time, there are similar gaps in understanding of how to respond effectively to the significant opportunities for new “green” employment as well as the need to develop practical measures to facilitate a fair transition for workers negatively affected by climate change.

I am pleased to say that we hope to work with UNEP and others in this room on an initiative for “Green” job creation that is being developed by the Global Unions in the months ahead.

We must do much more and we must do it better. In TUAC with the creation of the ITUC and the Global Unions we are seeking to work as part of a reinforced partnership to make a difference and to make sure that one day, no one` no one will be denied the right to join a union or to have a decent job or fear for the future of their children due to climate change.

I'm optimistic that together we can achieve this, we will achieve this.