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**Labour/Management Programme**

**TRADE UNIONS' ROLE IN MAKING NEPAD WORK FROM THE GROUND UP**

**Report on a meeting of trade union experts held under the OECD Labour/Management Programme**

**Paris, 24th March 2003**

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**OECD LABOUR/MANAGEMENT PROGRAMME**

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## **FOREWORD**

Under the OECD Labour/Management Programme for 2003, a meeting of trade union experts on "Trade Unions' Role in Making NEPAD Work from the Ground Up" was held in Paris on 24 March 2003. The meeting was prepared in collaboration with the Trade Union Advisory Committee to the OECD (TUAC).

Below, you will find the Agenda of this meeting, along with the overall report of the discussions of the meeting of experts, which was prepared by Mr. Will Davis, designated as General Rapporteur for this activity.

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## AGENDA

**Chair of the morning session: Ms. Louise WALSH (AFL-CIO)**

***Opening session: – Where NEPAD Stands Today***

- Briefing from Her Excellency **Mrs. Thuthukilé SKWEYIYA**, Ambassador, Embassy of the Republic of South Africa in Paris
- OECD-NEPAD co-operation – state of play (Centre for Co-operation with Non-Members), **Mr. Eric BURGEAT**
- Sahel and West Africa Club (SWAC) presentation, **Mrs. Jacqueline DAMON**
- Trade Union Presentation, **Mr. Andrew KAILEMBO**
- Discussion

***Second session: African Economic Outlook***

- Interventions by Development Centre (DEV), **Mr. Henri-Bernard SOLIGNAC-LECOMTE and Lucia WEGNER**
- Trade Union presentation, **Mr. Boevi Kouglo LAWSON**

***Third session: Links between Economic, Political and Governance Aspects of NEPAD***

- Presentation by Public Governance and Territorial Development Directorate (GOV), **Mr. Martin FORST**
- Trade Union Presentation, **Mr. Cunningham NGCUKANA**
- Discussion
- Briefing from **Mr. Bertrand BADRÉ**, Représentant personnel adjoint pour l’Afrique, Présidence de la République Française

**Chair of the afternoon session: Ms. Mamounata CISSE (ICFTU)**

***Fourth session: Investment, Infrastructure and the role of public / private partnerships (including MNE Guidelines)***

- DAFPE presentation, **Mr. Hans CHRISTIANSEN**
- Trade Union Presentation, **Mr. René VALLADON**
- Discussion

*Fifth session: Partnerships for Poverty Alleviation*

- Development Co-operation Directorate Presentation (DCD), **Ms. Raundi HALVORSON-QUEVEDO**
- SWAC presentation, **Mr. John IGUE**
- Trade Union presentation, **Mr. Guillaume ATTIGBE**
- Discussion

*Concluding Discussion – engaging trade unions in the NEPAD process*

## **FINAL REPORT**

by  
William K. Davis  
Principal Administrator  
Public Affairs and Communications Directorate  
OECD

### **1. INTRODUCTION AND BACKGROUND**

#### **WHAT IS NEPAD?**

- NEPAD is a vision and programme of action for the redevelopment of the African continent.
  - NEPAD is a plan that has been conceived and developed by African leaders.
- NEPAD is a comprehensive integrated development plan that addresses key social, economic and political priorities in a coherent and balanced manner.
  - NEPAD is a commitment that African leaders are making to African people and to the international community, to place Africa on a path of sustainable growth.
- NEPAD is a commitment African leaders are making to accelerate the integration of the African continent into the global economy.
  - NEPAD is a framework for a new partnership with the rest of the world.
- NEPAD is a call to the rest of the world to partner Africa in her own development on the basis of her own agenda and programme of action.

#### **GOALS OF NEPAD**

- To promote accelerated growth and sustainable development
  - To eradicate widespread and severe poverty
- To halt the marginalisation of Africa in the globalisation process

These words, from the NEPAD website, describe the ambitious agenda for the organization. Nearly two years on, it is fair to begin to assess how far NEPAD has come since its inception. In particular, it is important to pay attention to the role that civil society, especially trade unions, can play in contributing to the success of NEPAD.

Trade Unions assert they are a necessary partner in ensuring that the gap between NEPAD's rhetoric and reality are bridged. To this end, the Trade Union Advisory Committee to the OECD (TUAC) requested that a meeting be held on the topic of NEPAD under the auspices of the OECD's Labour/Management Programme (LMP). Entitled "Trade Unions' Role in Making NEPAD Work from the Ground Up", the meeting brought together representatives from the OECD Secretariat, members of OECD country trade unions, outside experts, and most importantly, an impressive range of trade union representatives from NEPAD countries in Africa.

The day-long meeting served as an opportunity to brief labour leaders on the NEPAD process. It also provided an important occasion for African trade unionists to highlight some of the shortcomings in the first two years of NEPAD's existence, and emphasize areas where more work could be done.

## **2. WHERE NEPAD STANDS TODAY**

2003 has been a year of implementation for NEPAD. The planning phase, with its focus on detailing programmes of action, is now complete. NEPAD must subsequently focus on its priorities. A list of priorities have been agreed upon and confirmed by the Heads of State and Government Implementation Committee (HSGIC) during their meetings of late last year and March of this year. The priorities identified by the HSGIC are: 1) Conditions for Development; 2) Sectoral Areas (such as infrastructure in energy, transport, ICTs, water and sanitation, as well as education, health, and food security); 3) New Partnerships; and finally 4) Additional Resources.

This last priority is vital. NEPAD's focus is on accelerating political and social-economic transformation to make African countries more attractive to international investors and the additional resources they can bring toward African development.

The participants in the meeting were briefed on the latest activities undertaken to start implementing the NEPAD Programme of Action. The recent HSGIC meeting in March kicked off the Peer Review Mechanism system of NEPAD, a system which could benefit greatly from the OECD's experience in the peer review process.

In recent months, NEPAD has also held a number of issue-specific workshops in various countries. The goals of these workshops are to further develop positions on a variety of priority areas. The NEPAD Secretariat has also begun to build relationships with the Regional Economic Communities already in place throughout Africa.

NEPAD is continuing to focus on mobilizing international support. The G8 – NEPAD relationship remains a strong one, and under French leadership the upcoming G8 Summit in Evian, France, will put the focus squarely on African development matters. NEPAD has also enjoyed support from the United Nations system.

NEPAD's immediate challenge is to continue to build on its successful first steps in implementation. The international community was urged not to set NEPAD aside in the face of other international development challenges such as the reconstruction of post-war Iraq.

OECD offers a broad range of activities to non-member countries, in particular the NEPAD countries. In this context, it is important for the OECD to hear the experiences of people from non-member countries, as is certainly the case today. The 2002 OECD Ministerial meeting enjoyed the participation of several representatives from NEPAD countries, and at the Ministerial, OECD and NEPAD agreed to three aspects of co-operation between the two entities.

First is for the OECD to share its know-how on peer review processes as African countries advance their efforts to implement a NEPAD peer review process. Mr. Eric Burgeat emphasized that it is crucial for the African Peer Review Mechanism to function well as an African-owned and -led process in order for it to be effective. . The OECD can help, and has produced a paper summarizing its own peer review process, a process that can take many forms, and must adapt to the specific conditions and topics being reviewed.

Second, the OECD is examining how it can open up to NEPAD countries the dialogue on policies which is really the daily work of the Organisation. Such dialogue aims at building consensus

amongst policy makers on the range of policy reforms required to implement the goals of NEPAD. The OECD is working with NEPAD on identifying specific issues where the co-operation can be concrete. For example, the OECD proposes to work with NEPAD in the area of governance mechanisms to reinforce market systems, as well as governance at the corporate level, and more generally on policies to promote private sector development, investment and trade. Important steps have been taken in order to increase African participation to the OECD Global Forums, as a way to promote policy dialogue between African officials and their counterparts from other countries.

Last, exploratory work has been carried out by the DAC and UNECA Secretariats to identify a possible consultation process between African countries and OECD donor countries on development effectiveness and aid management issues. The consultation process would permit each community to assess each others' performance in working to achieve international development goals, including through improved governance and development progress by African countries and through greater policy coherence, aid flows and harmonization efforts on the part of the donor community.

NEPAD should not remain just a vision held by the heads of state in Africa. For NEPAD to continue to be a success, Mr. Burgeat told the group that its principles and its priorities must filter down into the daily social and economic life of Africa, hence the importance of today's meeting with African trade unionists.

NEPAD faces other challenges. It is important to build on the commitment of a small, but powerful number of countries to get the people who produce and trade to help the people on the front lines of development. One must emphasize the importance of extending "mobilization capacity in Africa, bringing living standards up and increasing incomes" as a prerequisite for any type of sustainable development. It is crucial for NEPAD to avoid breaking the African countries into categories. South Africa and several bigger African countries are leading the NEPAD process, but the challenge is to make sure they bring other African countries along. Last, it is important to move beyond a relationship between developed countries that are based on development assistance to Africa, to a relationship that is focused on market access. This is part of the question of policy coherence which the OECD can help to address.

From the trade union perspective, the unions welcomed this meeting because they were glad that someone else recognizes the importance of trade unions to the NEPAD initiative. To a large extent, trade unions had not been involved in NEPAD's creation, which was an error. However, trade unions have become more actively involved with NEPAD, and the declaration at the African Trade Union Conference in Dakar in February of 2002 set the stage for trade unions' participation in and future relations with NEPAD.

However, while trade unions now have some status with NEPAD, more needs to be done. Trade unions want to see a bottom up approach to all NEPAD processes, and that more grass roots efforts need to be introduced. NEPAD must give more attention to the plight of African workers, and NEPAD's current form does not present guarantees for core human rights and labour rights. Social and human development should be the focus of NEPAD, with serious attention paid to the "plight of workers." Workers want "decent, productive and durable jobs." In closing, trade unionists want concrete outcomes, from both NEPAD and the G8 countries. For example, agricultural subsidies in the United States and the European Union undercut NEPAD's efforts. For NEPAD to be taken seriously by workers, policies such as subsidies in developed countries need to be addressed, and a presence in the NEPAD Secretariat should be established to monitor and consult with civil society.

Two quick interventions from the floor served to bring up some very concrete issues. TUAC asked if the NEPAD Secretariat might not be too small to make NEPAD the grassroots initiative that it must be in order to succeed. The South African Ambassador asked the participants to understand that

Africa has very few experts available to address the issues NEPAD is tackling. Add to this the fact that member countries are expected to pay the experts they send to NEPAD, and it is clear that scarce resources are already stretched thin. A South African Trade Unionist added that NEPAD is supposed to work on three levels: continent-wide, regionally, and at the country level, but that the full network is not yet in place.

### **3. THE ECONOMIC OUTLOOK FOR AFRICA**

Armed with a better understanding of where NEPAD now stands, the participants in the meeting next addressed the assessment of Africa's current economic situation. The programme's second session started with a briefing on the OECD's Development Centre's "Africa Economic Outlook", a publication done jointly with the African Development Bank. The Outlook assessed twenty-two countries, with the hope that an additional eight countries will participate in the next volume. The Outlook produced three main findings: 1) the economic challenges to African prospects for economic growth are more related to internal developments than to external factors; 2) privatization has been a protracted and inefficient process; and 3) Sub-Saharan Africa will not meet the 2015 Millennium Development Goals' targets.

Trade Unionists then provided some comments on the African economic outlook from the trade union perspective. There was agreement with the assessment that Africa's medium and long term prospects are not good. The most important challenge to put Africa on the road to economic growth is to tackle poverty. To make significant inroads against poverty, an enabling environment must be created. Unfortunately, African governments do not have public servants that are either capable, or motivated, to tackle the problems of health and education faced by the majority of Africans.

There was some criticism of the priorities upon which NEPAD has insisted. NEPAD focuses on capital savings, but African countries do not have savings. Apart from Libya, most African countries do not have a sufficient savings pool, a problem which was cited as the Achilles heel of NEPAD. NEPAD stresses the role of capital over labor, which led to expressions of concern about marginalizing workers and their unions. NEPAD emphasizes investment, but there was a question whether developed countries would focus on Africa when there is a war in Iraq. The private sector is weak in Africa, and governments need to strengthen it by better oversight and regulation. However, the role of the state is becoming marginalized in Africa.

In conclusion, labour representatives felt that NEPAD is being driven by five to seven heads of state, while other Africans tend to follow without much enthusiasm. However, if all African heads of state do not emphasize good governance, NEPAD will come and go without making any changes on the ground.

### **4. ECONOMIC, POLITICAL AND GOVERNANCE ASPECTS OF NEPAD**

The previous interventions provided a useful bridge to the next set of remarks. The OECD Secretariat outlined the ways OECD's work on governance issues could be of benefit to NEPAD's efforts. The links between public governance and economic growth are strong, with good public governance serving as an attraction to private investment. The outreach work of the Public Governance and Territorial Development Directorate at the OECD had not to date been strongly focused on non-OECD Member countries in Africa. But several areas of work that could be of benefit to NEPAD include: regulatory management and reform; citizen-government relations; and territorial (sub-national) development, particularly the importance of translating investment into good quality jobs at the local level.

An African labour representative followed with an intervention providing the historical context of NEPAD. It was necessary for NEPAD to be a “top down” creation, as it would have taken ten years or more to get agreement at all levels of African society on so comprehensive an initiative. Although it was important for heads of state to come together first, civil society must now begin to fill in the gaps. It is of particular importance that an institutional framework be created within which labour can participate. The ongoing relationship between TUAC and the OECD is a positive model.

As the meeting opened up for discussion, several important observations were made by trade union representatives. A South African representative supported the work of NEPAD, but echoed previously voiced concerns that trade unions were brought into the NEPAD process at a late stage, and that an absence of broad engagement with civil society, and trade unions in particular, remains a problem. This is especially notable in the peer review process. In sum, he stated that his trade union, the Executive Committee Congress of South African Trade Unions (COSATU), has a vested interest in seeing NEPAD succeed, and his union commits to do all within its power to help that happen.

Another African participant said he is not usually a pessimist, but questioned whether third world highly indebted countries can ever launch a program on their own that will lead to success. He spoke of the clear memory he has of the negative effects of privatization that he has seen first-hand. Privatisation in Africa has most often led to loss of jobs or decreased salaries. How, he asked, can you fight corruption without decent wages?

A Kenyan representative praised South African President Mbeki’s leadership, but he disagreed with the earlier statement from the Development Centre that most of the problems in Africa are related to internal African developments. He felt that previous initiatives have failed because the majority of Africa’s problems are caused by external factors. He felt it is critical to work with trade unions to reach people that are interested in economic development.

Several other African trade union participants added their voices to the assertion that trade unions have not been sufficiently involved in the work of NEPAD. Civil society must take charge of NEPAD. The first priority in Africa is good governance, but “how can you achieve good governance if basic human rights are not respected?” Others felt that trade unions have been marginalized in all NEPAD countries, and that there has been indifference toward involving trade unions. They also took issue with the assertion that Africa’s problems were internally driven. As African countries liberalize and open for investment, they see profits and resources leaving their countries. If NEPAD involves trade unions, the trade unions can act as watchdogs for many of the abuses that contribute to poor governance.

There was a fear that NEPAD, and the day’s discussion, would turn out to be just another “talk shop” of which many had been seen many over the years. African’s were becoming cynical, based on unmet donor promises, and lack of investment in human capital. Providing secure employment will address the critical problem of violence against women in Africa.

The participants next heard a presentation from a representative of the Personal Assistant to the President of France for African issues. He opened his remarks by saying his first priority in attending the LMP meeting was to listen. He assured the group that NEPAD is still a high priority on the G8 agenda, and that NEPAD must now focus on increasing the participation of civil society. He felt that all parties recognize the key to NEPAD’s success is addressing issues of peace, security and good governance.

He reminded everyone that the main idea of NEPAD is that additional aid will be focused on those countries who adopt the spirit of NEPAD (“the enhanced partners”). However, he reassured the group, he does not think there will be joint strict criteria coming from the G8 i.e. it is not a “computerized”

decision process and traditional beneficiaries won't be excluded. He said he was aware that there is a fear that a rigid framework for aid will be imposed under the NEPAD structure and he does not believe this will be the case. NEPAD must be a co-operative initiative owned and endorsed by Africans. He added that NEPAD will be the number one priority for the G8 summit in Evian in June, with each G8 country expected to submit a concrete status report of NEPAD implementation. By the end of 2003, he believed that the basis will be in place for the next many years of work by NEPAD in areas such as: building an early warning system and an African stand-by force by 2010, debt reduction, trade issues, access to medicines, de-mining, support provided to water or electricity projects. He concluded by agreeing with many previous interventions that civil society and trade unions must be more involved in the NEPAD process. He went further, asking that a list of individuals be provided after the meeting that trade unionists recommend Michel Camdessus, President Chirac's Africa Personal Representative, meet with during their upcoming trip to Africa.

Trade unionists followed the remarks with comments of praise. There was pleasure in the fact that issues such as developed country agriculture subsidies, debt relief, and terms of trade are to be discussed. African countries cannot address their problems of savings if they are unable to sell their products to developed countries due to subsidies or barriers to trade. Others were gratified by the discussion taking place in the LMP meeting and called for further gatherings of this type, as the OECD could be especially helpful on the matter of debt relief for African countries.

The issues of corporate governance and the behavior of multinational enterprises were raised. It was pointed out that NEPAD can pressure heads of governments, but that there does not exist a similar mechanism to pressure multinationals to behave as responsible partners.

A North African representative pointed out some deficiencies in the NEPAD process. He returned to the criticism that NEPAD was a top down process that did not involve trade unions in its development. He used his own country as an example. It was his opinion that although Algeria's leaders were among the proponents of NEPAD, trade unions had not been consulted in its creation. Therefore NEPAD risks staying at the theoretical level without concrete improvements in the daily life of Africans. He pointed out that NEPAD, like many World Bank and International Monetary Fund (IMF) proposals, runs the risk of imposing theories like privatization on African countries, which are not practical if the local situation on the ground is not taken into account. For example, he felt that privatization policies had led to the loss of jobs in Africa, and to greater exploitation of workers. Companies in the private sector, he observed, essentially try to "get away with whatever they can" by avoiding payment of taxes, and ignoring workers' rights.

The issue of access to medicine was brought home with some surprising statistics. Figures were cited of 40 million people worldwide who have HIV/AIDS. Of those infected, 29 million are in Africa, and 22 million of those are workers. The impact on African productivity has been, and will continue to be, catastrophic. If NEPAD and the OECD fail to address intellectual property rights and access to medicine for African countries, NEPAD will fail.

TUAC returned to four specific actions that could be taken based upon the morning's discussion. First, the rapporteur's report of the LMP meeting would be very useful to circulate to G8 and NEPAD officials quickly, in order for the impressions of trade unionists to be taken into account in advance of the G8 Evian summit. Second, TUAC would include recommendations on NEPAD in the trade union statement to the G8 Evian summit and OECD Ministerial Council Meeting. Third, as NEPAD matures, it must address the key issue of basic trade unionists' rights, especially given NEPAD's recognition of trade union rights two years ago. Fourth, regarding NEPAD's peer review process, the work done by the OECD in the area of Regulatory Reform should serve as an instructive, and inclusive model for NEPAD on performing peer reviews.

The representative of the French government concluded the morning's session by saying the NEPAD initiative was only in its second year and every organization is entitled to "teething problems". That said, his office is always open to talking with trade union representatives. On the issue of debt relief, he noted that France has been among the most aggressive of G8 governments in terms of advocating debt relief. He also said that France would be organizing a major conference this year to address access to medication for Africans.

## **5. INVESTMENT, INFRASTRUCTURE, AND THE ROLE OF PUBLIC/PRIVATE PARTNERSHIPS**

The afternoon session began with the Chair pointing out that the private sector's role in working with governments is a critically important aspect of NEPAD, especially the adherence of multinational corporations to guidelines for proper behavior.

An OECD Secretariat representative from the Directorate for Financial, Fiscal and Enterprise Affairs described the role of the OECD's Guidelines for Multinational Enterprises, especially in developing countries. He noted that multinationals currently operate in a patchwork of legal and other frameworks, and the OECD's Guidelines are an attempt to lay the groundwork for patterns of behavior that are globally accepted, as well as endorsed by governments. The OECD Guidelines represent the only multilaterally endorsed instrument for corporate responsibility. They are implemented through a network of National Contact Points in each member country of the OECD, as well non-OECD members who have signed on to the Guidelines. He noted that the Guidelines address matters of human rights, labour rights, sustainable development, disclosure of information, competition, and supply chain responsibility.

Where the Guidelines are unique, he added, is in their follow-up mechanism. The National Contact Points (NCPs) serve a variety of functions. It is the NCPs' responsibility to promote awareness and understanding of the Guidelines. They also handle enquiries and can be approached by anyone. The NCPs use their good offices to bring together complainants with the private sector, under the auspices of the government, to assist in solving problems. Each NCP is part of a network, allowing them to have a global reach that is essential in this era of multinationals. And last, the NCPs report annually to the OECD Committee that oversees the implementation of the Guidelines.

A French labour participant provided the trade union's perspective on the role of public/private partnerships in the NEPAD process. He was more skeptical of the private sector's ability to be a successful partner in NEPAD. He felt companies do not have the same objectives as others who pursue African development. When trade unions hear talk of public/private partnerships, the reality on the ground in Africa has been that privatization has been a process with mixed results at best. He felt that objectives such as the Millennium Development Goals and the commitments coming out of the UN's Financing for Development Conference in Monterrey, Mexico last year will not be met unless the OECD MNE Guidelines are imposed in a more formal way on multinational corporations. Despite the existence of the OECD Guidelines, and the fact that 80% of investment from multinational corporations comes from OECD countries adhering to the Guidelines, the situation in Africa could be seen as having regressed in recent years. He noted that Trade Unions have done a lot to raise the profile of the OECD Guidelines, but much more needs to be done by governments and the OECD itself. He also called for the National Contact Points to be reinforced by ensuring that the OECD's Committee on Investment and Multinational Enterprises (CIME) continues to monitor closely investment practices in Africa.

TUAC noted that the issue of the nature and quality of investment in Africa needs further discussion. Clearly, NEPAD will require the active participation of the private sector and external investment in order for it to be a success. But Africa's experience with the private sector has largely been an exposure to the ugly face of international business. This clearly brings into question the relevance of the OECD Guidelines. There has been a shift in the opinions of the CIME over the past five years, as OECD member governments have had their hands forced by events on the ground. The OECD has devoted a lot of effort to a basket of governance initiatives such as the Guidelines, the OECD Principles of Corporate Governance, the OECD Anti-Bribery Convention, and the OECD's work on Harmful Tax Practices. Trade unions had devoted a lot of effort to getting the OECD Guidelines used more effectively, but there is a significant lag in implementation. Thirty-seven countries have signed on to the OECD Guidelines, but only ten have active National Contact Points trying to deal effectively with cases. Another ten countries have NCPs that can be reached, but seem to be "embarrassed that they cannot do anything". The remaining seventeen countries adhering to the OECD Guidelines remain largely dormant. In sum, to avoid the danger that the OECD becomes peer group pressure at only the lowest common denominator, with no real effect in the outside world, the Organisation and its Member governments must mount a major action plan to improve the effectiveness of implementation of the Guidelines.

Several other trade union representatives had specific questions about the OECD Guidelines. There was a question as to what the OECD was doing to promote the Guidelines. There was also interest in knowing how trade unions are involved in developing policy and monitoring compliance with the Guidelines. It is important for the OECD to make clear how it views the corporate world, since in Africa, corporations' only role has been to export profits leading to capital outflows and underdevelopment. It was also asked if any corporations had been sanctioned under the OECD Guidelines.

The OECD secretariat responded with some clarification. It was noted that the totality of foreign direct investment in sub-Saharan Africa is less than annual foreign direct investment in Denmark, so the volume remains relatively small. Corporations like transparency, and if there is not strong and transparent governance in a country, then the net result is that the less palatable aspects of the private sector are attracted. Also, extractive industries will dominate, a point many of the trade unionists noted in their remarks. There are fewer complaints from Asians about lack of investment as they have established a more attractive investment climate. Clearly, the problem is how to attract more investment, and specifically investment that is beneficial and sustainable. The OECD stands ready to support NEPAD in this regard, and added that the OECD will be holding a conference on trade and investment in Senegal at the end of April. The OECD is also putting on a Global Forum on Investment in Johannesburg later this year, where consideration is being given to announcing an integrated investment compact for Africa.

Trade unionists reacted. A European representative felt it was important for corporations to re-invest their profits on the local level in Africa to ensure the birth of local enterprises leading to development. He added further that trade unions must work together to promote the OECD MNE Guidelines in a pro-active fashion, so that the spirit, and not just the letter of the Guidelines, is followed. There was a question from an African participant regarding what is being done among large trade unions in Europe to ensure compliance by multinationals with the OECD Guidelines. Others pointed out that governments must continue some basic services, as all activities could not be privatized. It was asked further whether a clause should be added to the OECD Guidelines requiring a certain percentage of multinationals' profits be re-invested locally. There was also interest in how the Guidelines addressed the issue of gender equity. Returning to the issue of corporate governance, another trade unionist asked what the chances would be of success for NEPAD if multinationals do not invest in Africa. He also echoed the statements of earlier intervenants that Africa attracts non-transparent multinationals that tend to perpetuate corruption. He called for multinationals to be held to the same standards in Africa that they are held to in their native countries. The participants clearly believed that human rights and workers' rights must be respected on a global basis.

The OECD secretariat intervened to respond to the comments. The principal goal of business is to produce and make money, but there is also an obligation on the private sector's part to be a responsible social partner. Sadly, many of the companies that do not ascribe to this belief operate in Africa. To allow the business community to act collectively toward improving corporate behaviour, multinationals must know what is expected of them, and the OECD Guidelines are an important step in this direction. Regarding monitoring of compliance with the Guidelines, the National Contact Points are monitored at their annual meetings at the OECD where they report to the CIME. The CIME also holds a roundtable consultation with labour and other interested stakeholders to hear their views of NCP performance. It was reiterated that the OECD Guidelines are "soft law", and that they contain no capacity for sanctioning violators. However, countries that adhere to them are bound by their treaty commitment to create a National Contact Point and participate in the process. It was acknowledged that the OECD is well aware of the varying degrees of activity among NCPs as mentioned by TUAC, and it was argued that the implementation of the revised OECD Guidelines, just like NEPAD, is a relatively young process and these things take time. Not all privatization is for the good, especially in the case of monopolies. The group was informed of efforts to include the MNE Guidelines in the G8 process to help raise their profile. It was noted that the issue of gender equity is specifically addressed in the Guidelines. In response to queries regarding the OECD's work to promote the Guidelines, several examples were given, including the annual roundtable of the NCPs, Guidelines events held in connection with OECD Global Forums on International Investment, the obligation of the NCPs to inform the public, including through websites, and the partnership the OECD has with the social partners in promoting the Guidelines. However, the OECD cannot itself monitor corporate behavior in Africa, and the OECD relies on civil society, not least trade unions, to go to National Contact Points to report non-compliant behaviour.

## **6. PARTNERSHIPS FOR POVERTY ALLEVIATION**

The meeting then moved to address issues of poverty reduction, and NEPAD's, as well as the OECD's role in combating poverty. A representative from the OECD's Development Co-Operation Directorate presented the OECD's work. The role of the OECD's Development Assistance Committee (DAC) was described, as well as how the DAC serves as a permanent intergovernmental forum to coordinate, monitor and inform its members' development practices. She noted that the DAC has produced Guidelines on Poverty Reduction containing important commitments from DAC members in areas such as support for country-owned strategies, the need to harmonise development aid, and the requirement to assess the impact of aid on reducing poverty.

The DAC is responding to NEPAD priorities in a number of ways. These include: the OECD Action for a Shared Development Agenda which includes developing proposals across the work of the Organisation to strengthen policy coherence; support for the Millennium Development Goals; DAC efforts to eliminate tied aid; and work on conflict resolution. She provided statistics on aid efforts by DAC members, showing positive trends. She stated further that with promises to increase aid, there is a monitoring system to track progress among aid partners in delivering on their respective mutual commitments. For Africa, the system may well be focused on economic and political governance issues, while for DAC Members the system would be monitoring the volume, effectiveness and co-ordination of donor aid programs.

The OECD's Sahel and West Africa Club followed with an overview of the Club's work which focuses on attacking problems such as food security and conflict prevention through partnerships. Two categories of partnerships were cited through which the Club works: institutional and regional. At the institutional level the Club has identified structures aimed at liberalizing markets, worked with a farmers'

network, helped develop secretariats for municipal development, and other projects. At the regional level, they have helped establish an early warning system in conjunction with the West African Monetary Union.

The trade union perspective was provided, adding a somewhat gloomy assessment. The number of poor workers in 2002 was the same level as at the end of 1998. Programs like NEPAD do not respond to the expectations of the African people, especially because of the lack of consultation with constituencies like trade unions. The World Bank and IMF were cited as still having insufficient consultation with trade unions, with only “lip service” being given to the outreach efforts of the multilateral development banks. There was a call for governments to make available to trade unions the studies they use to develop government policies. It is essential for trade unions to be involved in any peer review process. There was, however, some praise expressed for the LMP meeting, since the reflections we are hearing today can help trade unions understand how to be better participants in the NEPAD process.

As the table was opened for discussion, the participants were pleased to hear an expert observer from the United Kingdom’s House of Lords. The NEPAD initiative was described as the most exciting development for Africa since the release of Nelson Mandela. There has been very active discussion between French and British parliamentarians on joint initiatives in advance of the Evian G8 summit. The concept of peer review was praised, as it was noted that the reviews that take place under European Union auspices force governments and employers to deliver on promises, and result in much more than just complaining. NEPAD “needs its own TUAC”, but to make such consultation meaningful, trade unions need the technical competence to build up their relationship with governments and international organizations. Mutual accountability needs mutual capacity building.

A labour representative from the United States said his organization had identified 100 trade unions with 22 million members in Africa, a web that reaches beyond national borders. He made clear the trade union movement is a huge vehicle for communication, which can both deliver information and respond to calls to action. It is an essential component for any hopes of success in NEPAD.

A U.K. trade union representative described efforts by his labour organization to help African development. He said TUC has been active on the issues of African indebtedness, market access, HIV/AIDs, and levels of development assistance.

An African representative asked the OECD “how do you define democracy?” In his opinion, Africans must “own NEPAD” for it to succeed, so they do not want outsiders to impose their definitions upon Africans. He called the Poverty Reduction Strategy Papers (PRSPs) of the IMF “old wine in new bottles”, saying it is the same structural adjustment religion that has been preached ineffectively to Africa for decades. He said “Africans want jobs, not crumbs of welfare”. He urged the participants to work toward this objectives hand in hand with legitimate civil society organizations, which he felt have a lot to bring to the debate.

The OECD Secretariat noted that Africans had adopted a landmark statement on Democracy in African at a continent-wide summit in Durban, South Africa, in July 2002, and that accordingly one could assume that Africa has already gone some way in defining democracy in an African context. Examples were provided suggesting evidence of a new political will among the Bretton Woods Institutions to reconsider their position regarding long-standing macroeconomic stabilization parameters that have been so costly for African nations over the past two decades. Although initiatives like the PRSPs may yet be flawed, they are evolving in directions that are sensitive to a variety of concerns expressed by developing country constituencies. It is important to remain engaged with local PRSP processes to influence policy priorities and their implementation.

The Sahel and West Africa Club was urged to expand its contacts with trade unions.

## 7. CONCLUSION

TUAC summarized several concrete actions to move the agenda forward upon conclusion of the day's sessions.

- 1.) On behalf of the trade union participants in the meeting from outside Africa, TUAC pledged that they would not let efforts slip to put Africa's development at the center of the international agenda;
- 2.) TUAC said the need for a mechanism in the NEPAD process that guarantees and monitors basic human and workers' rights is essential. While NEPAD is a self-owned process, we cannot just let governments or companies get away with ignoring internationally accepted standards;
- 3.) The issue of ways to get consultation with trade unions into place is an urgent one. The TUAC/OECD relationship can serve as a model, but clearly there is a need for resources in the NEPAD secretariat to allow for a meaningful interface with the labour community;
- 4.) TUAC observed a natural tension between the "free market and Gosplan", saying the ideal model for African development probably lies somewhere on a middle path between these two extremes. When it comes to plotting a course for the private sector in Africa, he said TUAC was organizing with other partners a number of meetings in Africa on the OECD Multinational Enterprise Guidelines over the next year, including one in Casablanca in May and one in sub-Saharan Africa later in the year, to raise the profile of the Guidelines as a potential way forward in dealings with the private sector;
- 5.) It is essential that trade unions be involved in the NEPAD peer review process;
- 6.) TUAC will work closely with its Global Union partners, particularly the ICFTU and the WCL, to make sure the labour community takes advantage of every possible opportunity to engage with the OECD on NEPAD and African development-related work being done by the Organisation. Toward that end, he proposed establishing an e-mail group to make interested parties aware of events at the OECD which are relevant;
- 7.) More attention must be paid to ways in which both government and trade union aid programmes can be used strategically. The OECD Poverty Reduction Guidelines are useful in this regard;
- 8.) The Rapporteur's report of this LMP meeting should be fed into the G8 process as soon as possible; and
- 9.) In OECD countries, trade unions must work with both governments and parliaments to press the Africa development agenda forward.

The Ambassador of South Africa concluded the meeting by saying she would host a meeting of African bilateral ambassadors the next day in Paris, and she would brief them on the results of this LMP meeting. She stated that the meeting had certainly helped her remember her roots in the trade union movement. She concurred that African governments had made a mistake by overlooking trade unions during the conceptualization of NEPAD, but that the Dakar Declaration by the African Trade Union Conference on NEPAD had been a very useful input, and that there would be more interaction with labour in the future. Her final thought turned to a question she said she had been asked by John Evans. He had asked her if there was a serious commitment on the part of African governments to work on the NEPAD process. She said her response had been "yes", but the African experts necessary to make the NEPAD

secretariat a healthy and active reality were no longer in Africa, but rather they lived abroad. She called upon such professionals to return to their native countries and put their expertise to work on African development. She concluded “we want this to be our century... it is up to us!”



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