

**Remarks by John J. Sweeney, President  
TUAC and the AFL-CIO  
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Good afternoon.

This is the first TUAC consultation with the Liaison Committee chaired by Angel Gurría, the new OECD Secretary General, and I look forward personally – and as President of TUAC – to working with you and the Committee. I would also like to recognise the fact that so many OECD Ambassadors are here this afternoon – this is appreciated. But I would especially like to recognise Ambassador Morella who for many years was formerly my Congresswoman in Maryland.

TUAC's central concern is making the global economy work for working families.

In our world today, more than one billion men and women are either unemployed or underemployed, while nearly two billion workers – almost half the world's total workforce – struggle on less than \$2 a day.

With the entry of China, India and Russia into the world economy, the size of the global labour force has doubled in just 15 years.

Millions of the newly employed from those and other countries work for wages and in conditions inferior to those of workers in OECD countries.

We believe that unless governments and international institutions adopt economic policies to promote decent work and sustainable development, globalization will produce even greater inequality.

And we believe the OECD is uniquely qualified to develop such policies.

In the discussion paper we prepared for this meeting, we address three particular issues that are inextricably linked to decent work — jobs, growth and migration.

To be successful in addressing these issues at the OECD, we must leave our ideological burdens behind and seek innovative, common-sense answers to the challenges each issue poses in the context of a global economy.

Some in the OECD are inclined to offer my own country, the United States, as a model for employment and social policy.

We strongly urge caution with this view — no country should be considered an absolute model and we can learn from all nations.

And there are special reasons for not viewing the U.S. as a model.

Income and wealth are more unequally divided in the United States than in any other OECD country. Income is more unequally distributed in my country today than at any time since before the Great Depression. Our wealthiest families are prospering as never before, but the vast majority of America's workers are left behind.

Rather than a model, our country offers a picture of a path that should be rejected.

Since 1980, over half of total growth in productivity accrued to the richest 10 percent of American families --- most of it to the richest one percent.

Despite spending more on health care than any country in history, 46 million Americans have no health insurance at all – a number that has grown every year for the past five years.

Less than 50 percent of American workers have any form of employer provided retirement security ... and only 20 percent have real, defined benefit pensions.

In short, in the richest country in the OECD, workers are suffering a generation long stagnation of wages and experiencing a level of social insecurity not felt in half a century.

Simply championing free markets will not produce a just distribution of income and wealth.

Governments must put in place the proper regulations and economic policies to create jobs and link the creation of decent work in the 'North' with the same objective in the 'South.'

TUAC recognized that the OECD Jobs Strategy Reassessment provides one element of a more evidence-based approach to assessing employment policy in the industrialized countries.

It shows that deregulation of labor markets is neither a necessary nor a sufficient policy course for the G8 countries.

Good employment performance can be combined with a high regard for social justice and balanced and fair distribution of income.

Ensuring well-set minimum wages, strengthening social protection systems, redesigning active labor market policies to take account of low growth and low job creation periods, and lifelong learning are all essential parts of that evidence-based approach that TUAC is advocating at the OECD.

Above all, we believe that to effectively reach high performance labor markets must rest upon strong, well-designed industrial relation systems.

This approach contrasts sharply with the OECD's "Going for Growth" study from which structural policy recommendations in OECD Country Economic Surveys are derived.

Under this approach, United States GDP per head is taken as a benchmark and policy recommendations focus tightly on the deregulation of product and labour markets -- steps that are more likely to raise rather than reduce job insecurity and inequality.

The interests of workers in OECD countries and non-OECD countries are tightly bound together.

This is reflected in the issue of migration that is treated in the TUAC discussion paper and which we understand may become a priority for OECD horizontal work between departments.

The increasing mobility of people among countries is one of the most challenging dimensions of the global economy and it carries enormous economic, social and political consequences.

Governments have been tempted to manage migration under an exclusive national security approach.

This has led to policies restricting movements of workers that increase – not reduce – irregular migration.

They cause mutual suspicion and hostility to grow and social exclusion and division take root.

Throughout the OECD, unions are dealing with these issues daily and are ready to share the experiences.

When societies demonstrate openness and tolerance towards migrants, protect them against discrimination and racism, and offer opportunities for them to integrate -- including through decent work -- the integration of immigrants is greatly improved.

The emphasis must be on real economic development to reduce the pressures that force people to migrate for work.

Also crucial is the need to protect the human rights of migrant workers.

Because the workplace is where migrant workers first engage with the societies to which they have come, trade unions play a crucial role in attaining consensus on migration.

The report of the ILO's World Commission on the Social Dimension of Globalisation of which I was a member pointed to the need to implement social justice and create decent work through the rebalancing of globalization.

Now is the time to reinforce joint work between the OECD and the ILO. TUAC would propose the conclusion of a partnership agreement between the two organisations that was originally discussed in 2004.

We look forward to working together to make that happen.