



International Trade Union Confederation Statement to UNCTAD XIII

April 2012

Introduction

1. The current economic crisis has caused an unprecedented loss of jobs and livelihoods in a short period of time. The poorest and those who do not have adequate resources to protect themselves are the hardest hit. Even in those countries that have seen economic growth it has often been jobless growth, deepening inequalities and social exclusion. Young people in particular have felt the crisis' adverse effects as in many countries young people constitute the largest part of the unemployed. The numbers of working poor remain high and more than ever before find themselves in vulnerable employment relationships. Many workers, especially women, are trapped in informal employment relationships. More than 1.5 billion people – almost half the global working population – are employed in vulnerable or insecure jobs.
2. At the same time, many recent studies and reports document a widening income inequality caused by neoliberal policies, including trade liberalisation, unequal access to technology, financialisation of the economy and the erosion of labour institutions. Competition among investors for locations with the lowest wages and labour costs as well as minimal regulatory regimes have led to the weakening of labour standards and a 'race to the bottom' among countries that compete for investment. In many countries, flexible labour markets have made it virtually impossible for workers to exercise the right to organise and reduced their bargaining power, leaving many workers and communities unprotected. In other countries, migrant workers are brought to work in conditions where their internationally-agreed rights are not respected, with consequent impacts on their lives and their health and safety. The full potential of these workers to contribute to national development at home through remittances is also severely curtailed as they simply don't earn a fair wage.
3. Work without security, sufficient income, safety and respect of internationally recognised rights does not allow the working poor to lift themselves out of poverty. Furthermore, a poor household might have to rely on child labour for additional income locking the future generation in poverty. Poor people and women are also more vulnerable to labour exploitation, debt bondage and slavery than persons who enjoy decent living standards.
4. In order to become more integrated in the global economy countries are willing to give up regulatory space in trade and finance. This trend results in reduced capacity to defend against crises - often created in other countries - and leaves these countries with fewer instruments to pursue economic development and social protection.
5. The overexploitation of resources deprives the poor of access to the natural assets on which they traditionally rely. At the same time the degradation of the environment and climate change pose new threats to the poor as they are the least protected and often face disasters that can sweep away all their assets and livelihoods. Moreover, the transition toward a sustainable economic model poses challenges for the world of work including the creation of decent work in the new green economy and the dangers of an unfair transition.
6. It is time to revise the global regulatory framework of the financial markets as well as global trade rules to ensure coherence with development objectives and that current social and economic challenges are addressed. In full adherence to the multi-institutional nature of the Busan Partnership, UNCTAD XIII must be the locus of a reassertion of the role of the United Nations in world governance and fighting recession, with recommendations to enhance economic cooperation and boost employment, improve financial regulation and implement a financial transactions tax, attain a social protection floor and support development,

achieve a just transition to the low carbon economy and promote sustainable growth, as well as achieve more democratic and equitable global governance.

Key trade union messages to UNCTAD XIII

Financial economy

7. Governments should work together to restore and update the global regulatory framework of the financial markets in order to restore financial institutions to a socially beneficial role in the economy.
8. Existing and proposed global trade rules governing trade in financial services should be reviewed in light of the financial crisis, and modified to ensure policy space for all countries to use measures such as capital controls and financial transaction taxes, as well as to implement other financial regulatory and prudential measures to protect the livelihoods of their citizens and the stability of their economies.
9. The financial sector should be carefully regulated in order to give breathing space to the real economy. It is more than time for the introduction of regulation that would ensure the financial sector's ongoing contribution to providing the resources for creating green jobs, facilitating the establishment of social protection floors and reaching development goals.
10. Within the World Trade Organisation (WTO), countries should not be requested to take any additional commitments for liberalisation of trade in financial services.
11. Governments and the social partners should increase their cooperation in fighting corruption, tax evasion and undeclared work, as these negative elements of the economy pose major threats to social development, decent work and effective governance, as well as to economic growth.

Fair and progressive taxation

12. Governments should introduce fair and progressive taxation systems. On the international level, the states should join forces to establish global accounting rules for enterprises with transnational operations and global cooperation in taxation.
13. A broad-based Financial Transactions Tax should be implemented in order to reduce speculation and provide a new source of government funding to invest in public services, social protection, green jobs and development.

Social Protection Floor

14. A universal Social Protection Floor that would provide a basic set of essential social rights and transfers in cash and in kind as well as access to essential public services should be ensured by governments as well as encouraged and supported by UNCTAD.
15. Global or multilateral funding should be made available to accelerate the establishment of a Social Protection Floor in the poorest countries. With regard to financial sustainability, the provision of multilateral funds in an initial phase should be complemented by governments' allocation of sufficient fiscal resources to support social protection schemes once they have been initiated.

16. Social Protection Floor initiatives need to include the social partners and, at the international level, the International Labour Organisation (ILO) in the design, delivery and management of social protection and public services schemes.

Regulating the private sector

17. The private sector should by no account decrease the role and responsibility of governments to ensure social protection, the rule of law and sustainable, inclusive social and economic development for all citizens. Social protection, core public services and public goods should under no condition become subject to privatisation. Where such services have been privatised, governments should ensure access to them for all citizens.

18. Any Private-Public Partnerships (PPPs) should be based on a thorough analysis of real needs, fair risk sharing for the community, accessibility, quality and affordability of the services and goods produced. PPPs should not be an excuse for privatisation of public services that would put access to these services at risk.

19. In development work as well as in their core business activities private sector actors should respect and apply ILO principles and labour standards as elaborated in ILO Conventions and monitored by the ILO supervisory system. The private sector, including transnational companies, should observe the *Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework*, the *ILO Tripartite Declaration on Multinational Enterprises and Social Policy*, and the *OECD Guidelines for Multinational Enterprises*.

20. Local procurement should be given priority while implementing development programmes for better development results.

21. An integrated approach for an enabling environment for sustainable enterprises should be promoted and developed at country level, as defined in the 2007 *ILO resolution on the Promotion of Sustainable Enterprises*.

Inclusive, democratically owned and coherent trade and development policies

22. Democratic and inclusive ownership should be central to any trade and development policy processes be they at national, regional or international level, with the full participation of the social partners and civil society.

23. International trade arrangements at multilateral, regional and bilateral level should include strong binding provisions that protect and enforce labour rights. Trade agreements and multilateral trade negotiations need to incorporate further provisions that would forbid governments from derogating from any labour regulation that in any way weakens adherence to internationally recognised labour standards. Trade and investment agreements should provide for capacity building mechanisms aiming at strengthening labour legal frameworks and improving labour law enforcement of the trading parties.

24. Trade agreements between countries of different levels of development should ensure that the developing country party can apply a tariff that is in line with their stage of development in conformity with the agreed principle of less than full reciprocity.

25. All governments that negotiate free trade agreements or take part in the WTO negotiations should conduct trade impact assessments to identify potential impact, among other things, on employment, freedom of association and the right to collective bargaining, child labour, poverty and the environment. The agreements should allow regulatory space to address any unfavourable outcomes and governments should

take measures to address any identified adverse impacts.

26. All trade negotiations need to be conducted with enough transparency to allow proper scrutiny and input by parliaments, social partners and civil society organisations. At present, negotiations at bilateral, regional and multilateral levels are not transparent, negotiating texts are not publicly accessible and the negotiations take place under conditions of secrecy. This practice impedes parliaments, social partners and civil society organisations from holding the negotiating governments accountable for what they negotiate. Furthermore, without access to negotiating texts informed participation in the process is impossible.
27. Economic, trade, migration, agriculture, environmental and other policies need to be coherent and complementary in order to contribute to poverty reduction and achieving the Millennium Development Goals (MDGs).
28. Greater coordination and coherence between the current and emerging global trade and development frameworks should be encouraged based on legitimate, democratic and inclusive global institutions. This applies in particular to the continuation of international work on development effectiveness (related to the High Level Forums on Aid Effectiveness), the UN Conference on Sustainable Development "Rio+20" as well as the shaping of the global agreement after the expiration of the MDGs in 2015.

Sufficient and effective Official Development Assistance

29. All countries that have committed to spending 0.7% of their GNI on development assistance should deliver on their promises within the declared time frame. Official Development Assistance should be allocated in the most effective way, with the donor as well as partner country governments and other relevant actors, including civil society and private sector, following the international commitments on development effectiveness as well as international transparency and accountability standards. Development cooperation programmes should always aim at eliminating countries' dependency on foreign assistance.

Just transition to a low carbon economy

30. Investment in low carbon technologies should be accompanied by clear targets on the creation of employment. To this end, all governments should invest at least 2 per cent of their GDP in creating green and decent jobs.
31. The transition to a green economy should be complemented by a change in education courses, as well as special programmes that would create and enhance workers' green skills. Social protection schemes, as well as local economic diversification programmes, must be put in place to ensure workers are not left behind in what will become the biggest economic transformation of our time.
32. In order to achieve inclusiveness in the transition, it is imperative that the governments, employers and trade unions have an institutional floor of dialogue on the industrial changes involved.

The role of UNCTAD

33. **UNCTAD must enhance inclusiveness of trade and investment.** UNCTAD XIII must mandate strong UNCTAD action toward the achievement of inclusive trade and investment that creates development. UNCTAD should develop guidelines and action plans for bilateral and regional trade arrangements that would enhance the social dimension of global trade, including the decent work agenda. Further to this, UNCTAD should also make proposals for the reformation of the governance and content of the multilateral trading system.
34. **UNCTAD must research the social aspects of trade and investment.** UNCTAD XIII must reinforce the organisation's role in creating knowledge that helps the national and international policy making to understand and take into account the impact of global trade and investment, among other things on the quality and quantity of employment, rights at work, inequalities, social cohesion and poverty reduction. UNCTAD should conduct studies on trade and development on a global level, as well as on individual cases. UNCTAD could also play a leading role in innovating, creating new economic modelling and taking economic and social sciences a step forward by undertaking research on inclusiveness.
35. **UNCTAD must enable an alternative way to development.** UNCTAD XIII must develop principles, guidelines and action programmes to help states and investigate innovative areas of policymaking at the regional level that could support diversification and structural transformation. UNCTAD should advance industrial projects that would help its Member States follow paths to sustainable and inclusive development.
36. **UNCTAD must promote the Decent Work Agenda.** UNCTAD XIII must mandate the active involvement of the organisation in facilitating and supporting the work of the ILO on Decent Work programmes and policies to promote productivity and skills, decent jobs creation, labour participation and social protection. To this end, UNCTAD should cooperate with the ILO, governments and social partners in developing a set of guidelines and targeted programmes for Decent Work.
37. **UNCTAD must support the Social Protection Floor for inclusiveness and sustainability.** UNCTAD XIII must instruct the organisation to advocate and facilitate the introduction and implementation of a Social Protection Floor. UNCTAD should support the adoption of Social Protection Floor initiatives by governments and cooperate with other international organisations to create knowledge and policy recommendations to promote this goal coherently. UNCTAD should also enhance the global discourse on trade and investment with the goal of a Social Protection Floor in order to promote solutions that could achieve inclusiveness and sustainability in trade and investment.
38. **UNCTAD must recognise the gender dimension in trade and development.** UNCTAD should address the problems of unequal access to education, training and labour markets that place women at a disadvantage and in a vulnerable position. UNCTAD should undertake more substantive research into the gender dimension in trade and investment and its impact on sustainable development. In this regard, UNCTAD should work closely with other UN agencies, including the ILO.
39. **UNCTAD XIII must support the Least Developed Countries.** UNCTAD should play a critical role in supporting LDCs through the provision of technical expertise in their efforts to find sustainable solutions to the challenges they face. UNCTAD must ensure country ownership and leadership in the design and implementation of development policies as well as safeguard their rights to take effective measures to counter market imperfections and failures, notably in the provision of essential public services. UNCTAD must support the implementation of the Istanbul Programme of Action adopted in May 2011.