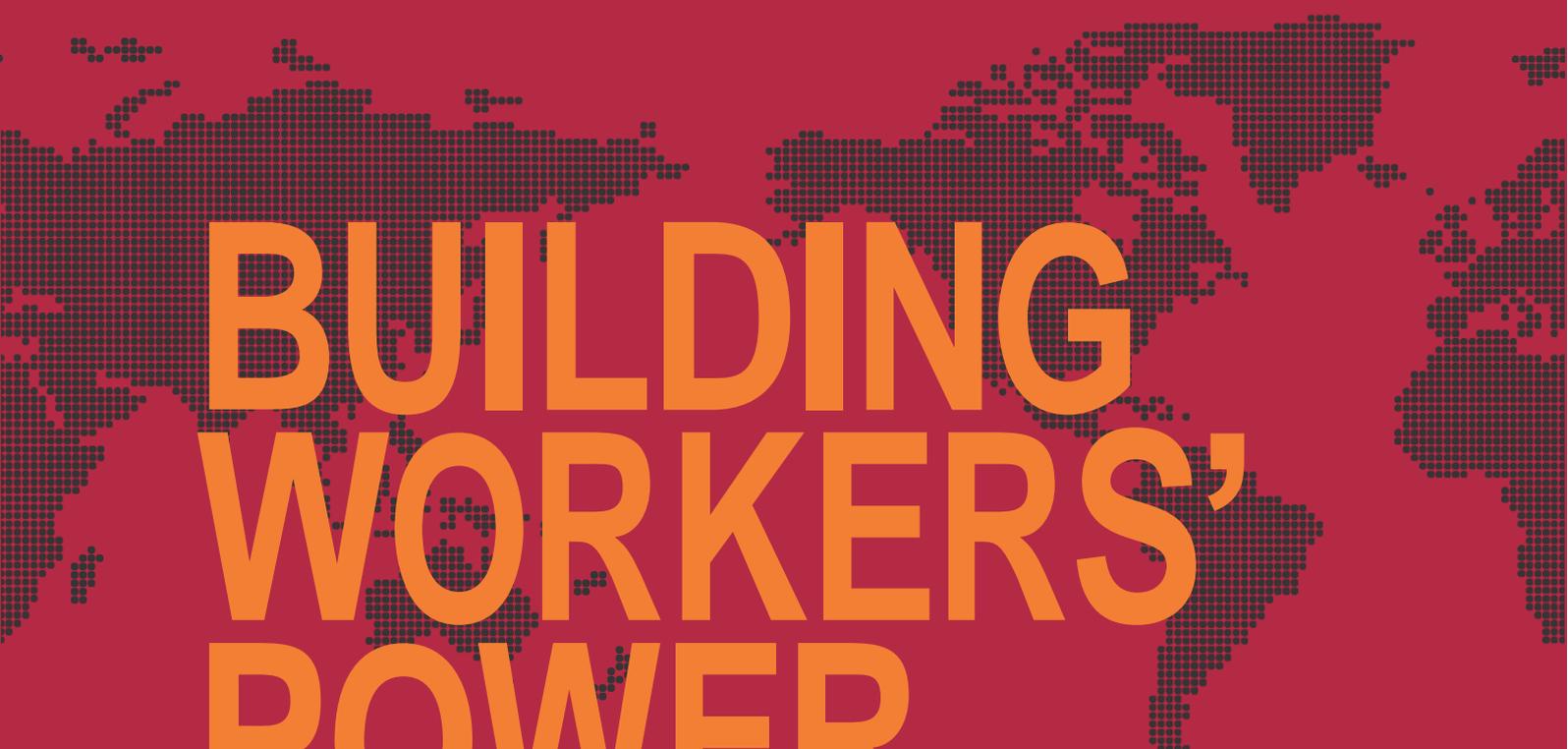


3<sup>RD</sup> ITUC WORLD CONGRESS 18-23 May 2014 Berlin



# BUILDING WORKERS' POWER

Congress Statement



# People feel abandoned by their governments

With few exceptions world leaders and international institutions are pursuing an economic agenda that has created greater inequality and devastating unemployment, undermining democracies everywhere.

- They have not defended the policies necessary to ensure secure and inclusive democracies and a sustainable planet for the 21st century;
- They have failed to build a stable global economy, at tremendous cost to working people and their families;
- They have failed to tackle historic levels of unemployment, to provide opportunities for young people and to stop the growth of precarious and informal work;
- They have failed to secure a healthy environment and tackle climate threats; and
- They have failed to eliminate nuclear weapons and deliver global peace.

Even “Social Europe”, where rights and protections have traditionally been strong, is under attack.

There is a profound mistrust of institutions as people increasingly lose trust in governments that prioritise business interests over the wellbeing of working people.

Half the world’s population has direct or family experience with unemployment or reduced working hours. More than half are in vulnerable or irregular work, and 40% struggle to survive in the desperation of the informal sector.

Unions across the world are leading the fight for economic and social justice, with policies based on fair distribution of income rather than the empty promise of neoliberal austerity.

We know that working people need quality jobs, a social protection floor and a minimum living wage. Sadly, hundreds of millions of workers are currently denied the right to a minimum wage on which they can live with dignity, while more than 75% of people have no or inadequate social protection.

Corporate welfare, which is increasingly dominating public policy, must not be to the detriment of social protection. In the face of escalating dominance of the US corporate model, we are determined to defend and rebuild collective bargaining, reduce precarious jobs in the formal economy and eliminate wage and social dumping. 62% of people want their government to tame corporate power.

Wherever unions are organising around these issues they will have the full support of the global union movement. That is what this Congress is about.

# The global economy

The 'structural adjustment' policies of the 1980s and 90s crippled development in poorer countries, just as today 'austerity' has damaged employment, growth and inclusion in too many developed nations.

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The global economy is no more secure in 2014 than it was seven years ago. We now have an unemployment crisis and inequality that is crippling economies and communities.

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Business and its political supporters have used the great recession to tip the balance of power firmly towards large corporations at the expense of ordinary people. They have undermined decades of progress made by trade unions and other progressive forces.

Economic decisions, such as curtailing collective bargaining, restrict people's rights and have undermined confidence in governments. Just 13% of people surveyed in the ITUC Global Poll 2013 believe their government is focused on the interests of working families, while many believe corporations have too much power.

Despite overwhelming evidence that neoliberal policies are destructive and ineffective, international financial institutions continue to press governments to bow to the power of financial markets, and governments have cowered before them. Regulators neither foresaw nor prevented the economic crisis and they are still failing to prevent the greed and destruction of speculative capital. Progress on financial regulation has been derisory, and governments are being pressured to make social justice a variable that can be adjusted according to the state of the economy. Social justice must be the priority, based on capacity building and collective bargaining to achieve the best possible integration of economic and social considerations. Finance must be at the service of the economy, to guarantee a future for the next generations.

In developing countries, particularly in Latin America, the search for alternative models of development to reduce inequalities and achieve regional integration has been hampered by continuous pressure on mechanisms to control capital flows while maintaining the financial liberalization of the 1990s.

In addition, there is permanent pressure on developing countries to consolidate free-trade agreements and regulations through the WTO. These pressures keep these countries as exporters of raw materials, impacting on the environment and affecting the development of Africa, Latin America and other parts of the world.

The dominant model of trade has exacerbated the negative trends with shrinking policy space for the development of valued-added production and the escalation of exploitative supply chains where labour rights are blatantly violated or non-existent. Investors are now suing states for loss of earnings where governments move to intervene in the interests of their people. This must stop. Cooperation rather than competition must be realised through both bilateral and multilateral agreements which are based on the full respect for labour and other human rights. The impact of agreements on employment and the environment must be considered, industrial development supported and social dialogue guarantees must ensure the involvement of social partners.

The current model of free trade and investment agreements, inherited from the neoliberal hegemony, reinforces a model of domination captained by transnational companies and financial institutions. In this model, developing countries are included only as suppliers of agricultural, mineral and energy commodities in global value chains led by transnational corporations that exploit workers and violate their rights. This must end.

Fair trade, national development, democracy, cooperation and solidarity with respect to labor and human rights must be the basis for a new international trade regulation, replacing multiple bilateral, bi-regional and multilateral agreements.

The ITUC Global Poll 2013 found one in two working families have been hit by the loss of jobs or reduction of working hours. Young women in particular are impacted.

More than half the world's population say their incomes have fallen behind the cost of living in the past two years. Having a job no longer guarantees enough to meet basic needs, and women are the majority of the working poor.

59 percent of people are no longer able to save any money.

Income inequality rose over the past three decades in 17 out of the 24 OECD countries for which data is available, and more than 1.2 billion people are living in extreme poverty worldwide.

## Inequality

The OECD report 'Growing Unequal' shows that while disposable income grew on average by 1.7% per year between the mid-1980s and the early 2000s, the distribution of this growth was very unequal. The richest 10% saw their disposable income grow by an average of 1.9%, compared to 1.3% for the poorest members of society. As a result, the average Gini coefficient in OECD countries increased by almost 10% by 2010.

The most recent report of the OECD from 2013 shows no reversal of this trend. In fact, income inequality increased further and more rapidly than ever before. The increase between 2008 and 2010 was as strong as in the twelve years prior to the crisis, and it was exacerbated by many governments' regressive tax policies.

The scandal of tax avoidance by the wealthy and by corporations within and between countries is compounded by the slashing of public services, jobs and social security. The fight against financial opacity, fraud and tax evasion must be determined and effective. This will mean combatting money laundering, tax optimisation and tax havens, practices which stand in the way of fair development and the reduction of inequality. Undeclared work and corruption put a heavy strain on public finances, and must be combatted. Undeclared work steals from public welfare, takes advantage of des-

perate workers and creates unfair competition.

Even though in developing countries the share of people living in poverty more than halved between 1990 and 2010, there are still more than 1.2 billion people living below the global poverty line of 1.25 USD a day.

International financial institutions fail to acknowledge that rapidly rising income inequality puts even marginal growth at risk and poses a threat to any further poverty reduction.

The last few decades have shown that rapid growth is not sufficient to make our societies more inclusive and fair. In Botswana, China, Costa Rica and the Dominican Republic, economic growth has been accompanied by significant increases in income inequality. As a result poverty has declined by less than it should have.

This does not have to be the case. In countries with similar growth patterns, such as Ghana and Brazil, government intervention meant the benefits of growth were more evenly distributed and the impact on poverty and decent work was more significant.

We should look to the models that have well-developed welfare and social security systems and high levels of equality, such as in Nordic countries.

We demand that the UN post-2015 Sustainable Development Framework include stand alone goals and targets for full employment and decent work, a universal social protection floor, gender equality and universal free quality education.

Within these or additional goals there must be a commitment to and targets for access to affordable quality healthcare, free access to water and sanitation, food and energy security. Global action on HIV-AIDS and other pandemic and epidemic diseases must remain high on the agenda.

Governments need to implement counter-cyclical fiscal policies, and government measures, along with our own efforts, are needed to strengthen living minimum wages and collective agreements to ensure workers' purchasing power.

To have a major impact on aggregate demand in the world economy, these policies would need to be implemented through coordinated government action. Therefore we should seek to advance this agenda at forums such as OECD and G20.

# The role of unions

The ITUC is demanding that full employment, decent work and social protection floors be central pillars for global action, including stand-alone sustainability goals in the UN post-2015 agenda. Unions also support goals for universal access to quality education, gender equality and climate justice.

We have called for the G20 to implement its Growth and Jobs Plan, beginning with investment in infrastructure, particularly schools, public transport and hospitals, along with enabling green infrastructure. Meanwhile, the ETUC has pushed European governments to pursue a 'recovery plan'.

Unions insist there are alternatives to the punitive and ineffective austerity measures that have done so much damage. Instead, we are advocating:

- progressive tax reform,
- an end to tax havens and corporate tax evasion through "base erosion" and profit shifting,
- long-term investment, such as in infrastructure and social protection,
- financial reforms that reign in speculation, including a financial transactions tax, and
- fight against undeclared work and corruption.

We demand investment in quality public services; in the care economy where the dignity of decent work means dignified care and opportunity for families and communities.

We demand an end to the undervaluing of women's work. We are mobilising for world-wide recognition and implementation of human rights for women - at work, in the household and in society - to make gender equality a reality. We will also mobilise to formalise the jobs of women and to realise equal participation of women in the workforce.

We recognise that public education, affordable health care, child protection, child care, aged care, maternity protection, support for the disabled, and active labour market programmes are among the hallmarks of dignified societies.

We have pursued measures to include young people, with guarantees for education, employment and social protection with a dramatic scaling up of apprenticeships to deliver the skills needed for sustainable growth and the potential of new technology.

Advances in technology and the expansion of internet access create enormous opportunities and challenges for working people. Union engagement in education, training and organising in the internet age is crucial. The ITUC is committed to internet governance which is free from domination by any government or corporate interest, and which ensures the free flow of information with strong protections for personal information and freedom of speech subject to the rule of law.

Capitalism based on neoliberal 'Washington Consensus' policies has made our societies even more vulnerable and unequal. Business as usual is not acceptable

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We need a new global deal between nations; a new social contract that guarantees full employment and decent work, social protection and sustainability.

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The ILO must be at the heart of global decision-making to ensure a rights-based approach to work. We need to rebuild economies on new economic models that serve people and their communities through tripartism, social dialogue and collective bargaining. We reject the attack on the ILO and call on governments to re-invest in the centrality of workers' rights and social dialogue.

Between 2000 and 2010, the number of people covered by collective agreements declined in two-thirds of the countries reviewed by the ILO World of Work Report (2012). Equitable nations are only possible when citizens have a strong collective voice and there is a clear role for social dialogue. Decent work with health and safety guaranteed will only be achieved where workers have sufficient power to bargain for a better deal.

Unions are central to social justice and equality. We must organise in our workplaces and communities to build the power of workers to effect change. To realize social justice and equality, we must also take our Governments back from the iron grip of capital with our political power and change authoritarian regimes by winning the democratic rights of workers. The ITUC as the biggest democratic force on earth is committed to achieving this through unified action from all its affiliates.

Furthermore, the ITUC and its affiliated organizations must act to promote the ratification and effective implementation of international labour standards, particularly those establishing freedom of association and the right to collective bargaining.

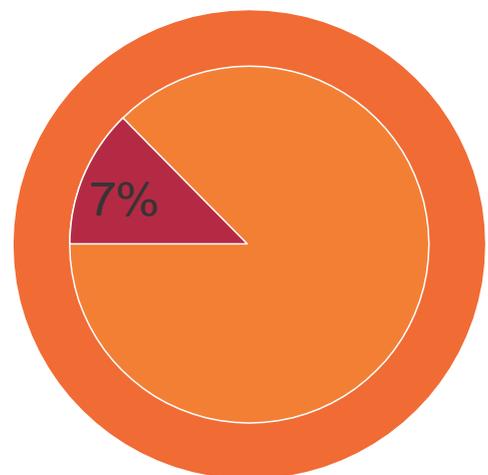
## The global workforce

Unions are agents of development. In developing and emerging countries, where inequalities are the most acute, they have a major role to play to promote inclusive development and not leave anyone by the wayside. Solidarity

between unions must be strengthened and the Trade Union Development Cooperation Network must ensure more effective partnerships.

The challenge is enormous:

- The global workforce is 2.9 billion;
- The formal workforce is 1.7 billion;
- The unionised workforce is 200 million, with as many again in unions which are not independent of government;



- Women make up 40% of the global paid workforce yet less than 15% of union leaders;
- 50% of workers are in vulnerable or irregular forms of employment, most of them women;
- Unemployment is higher among women and there are less than 70 women who are economically active for every 100 men;
- 90% of the world's 230 million migrants leave home in search of work;
- Youth unemployment is about 12% globally – twice the level for older workers; and
- 40% of the global economy is informal.

The central challenge is union growth – organising all workers, including those beyond our traditional areas of focus to ensure we have the democratic power to realise rights and shape a world of fair and abundant work.

To this end the ITUC and its affiliates will defend the central role of collective bargaining and social dialogue as fundamental to democracy, economic development and social cohesion. Collective bargaining at national and sectoral levels ensures workers' rights are protected. The capacity of national unions to bargain with employers and influence government policies is central to ensure workers' power.

Even where anti-union laws and practices deprive workers of union rights, the union remains their voice and fights for their interests.

## Climate action

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**There are no jobs on a dead planet.**

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Climate action is non-negotiable. With the highest level of carbon in the atmosphere in history, humanity is in uncharted waters and living well beyond the boundaries of what the planet can sustain. The chance to stabilise average temperature increases below 2 degrees Centigrade is becoming dangerously low. Without urgent action, an average increase of 4 degrees or more by the turn of this century will result in even more destruction and death for millions across the world.

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**There is a path for survival, but governments must have the courage to take it.**

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The ITUC supports the moral imperative to both preserve an inhabitable planet and to profit from the jobs that climate action can deliver. We demand a commitment to a 'just transition' based on social dialogue from the workplace to the national level, with green skills and social protection guaranteed. To that end we will work to see an ILO standard to guide government and employer action. Equally, we will work to ensure that our own workers' capital is increasingly invested in the real economy, including in both industrial transformation and new green jobs.

All jobs must be cleaner if we are to green our economy, and decent work must be at the heart of this transformation.

As the world prepares for another deadline for a global agreement on climate by December 2015, the ITUC will mobilise our members and their communities to demand an ambitious and binding accord.

Holding governments to account for climate is a top priority, but so too is ensuring that we live within planetary boundaries and that the crucial issues of food security, energy security and water are addressed.

## Peace and democracy

*"We're also alarmed at the world's failure to resolve intractable conflict. Let me particularly mention the occupation of Palestine and formally remind us of the Vancouver demand, the quest for a comprehensive peace between Israel and Palestine based on an agreement that guarantees the coexistence in conditions of security of two independent sovereign states. It requires renewed international attention and support as a highest and urgent priority."*

Sharan Burrow, General Secretary, ITUC

The ITUC is committed to a world free of weapons of mass destruction where the United Nations is capable of preventing conflicts within and between countries. Where there is an imminent threat to peace, priority must be given to collective action via the UN Security Council rather than unilateral intervention.

Peace and democracy are based on:

- The full application of international law, and the rejection of "double standards" based on national or geopolitical interest;
- Social justice through the full implementation of fundamental ILO Conventions in every country and in international agreements, including trade agreements.

Weapons of mass destruction pose a grave and present threat to humanity. The ITUC will work with its civil society allies to see all countries ratify and implement the Nuclear Non-Proliferation Treaty, including through the 2015 NPT Review Conference. We call for urgent negotiations on a treaty to ban the use, manufacture, stockpiling and possession of nuclear weapons as a first step towards their complete eradication. We will also act to ensure regulation of the small arms trade and to show how hundreds of billions of dollars of military expenditure must be better spent meeting vital needs for sustainable employment and development.

Migration must be a free choice for every person, and may be necessary to escape from war, dictatorship, slavery or poverty. Migration policies must be the responsibility of the UN and therefore based on a rights-based approach, in line with ILO principles. Every migrant should have the choice to stay at home where full employment, decent work and social protection is guaranteed or alternatively,

have a path to citizenship in a new country of their choosing. The world needs investment that provides opportunity everywhere, not walls that divide people and deny them the chance to build a decent future.

The ITUC stands beside our brothers and sisters engaged in liberation struggles and the fight for democracy and human rights, including in Bahrain, Belarus, China, Egypt, Fiji, Hong Kong, Libya and Tunisia.

The ITUC denounces the suffering of the Saharawi people which has continued for half a century, and urges all parties involved in the conflict in Western Sahara to search urgently for a just, lasting and acceptable solution, negotiated under the auspices of the UN, and founded on the principles of freedom and democracy.

The ITUC should give attention to ending the unfinished border conflict between Eritrea and Ethiopia and restoring peaceful relations and confidence among the two fraternal working populations.

We denounce the occupation of Palestine by Israel, and will mobilise for a just and sustainable peace between Israel and Palestine, in accordance with the legitimacy of international law and in particular Resolutions 242 and 338 of the UN Security Council.

[http://www.ituc-csi.org/IMG/pdf/2CO\\_09\\_Peace\\_Disarmament\\_and\\_UN\\_03-10-2.pdf](http://www.ituc-csi.org/IMG/pdf/2CO_09_Peace_Disarmament_and_UN_03-10-2.pdf)

We call for:

An end to the construction of illegal Israeli settlements and removal of existing settlements; Israel's withdrawal from all Palestinian lands, in line with the 4th of June 1967 borders; and the dismantling of the illegal separation wall.

These demands will support equity, justice and the achievement of a comprehensive peace, confirming the right of the Palestinian people to self-determination and the establishment of a free and independent Palestinian state with East Jerusalem as its capital.

We equally support the demands of our people for peace and security in nations ravaged by conflict, such as Afghanistan, Central African Republic, Democratic Republic of Congo, Guinea, Haiti, Iraq, Mali, Somalia, Syria and Ukraine and those subject to oppression in Iran, Swaziland and Zimbabwe.

And we deplore the denial of rights, in particular attacks on freedom of association, and anti-union actions. We will fight for an end to impunity in Colombia, Guatemala and Turkey, and for an end to slavery in Qatar, Saudi Arabia, and other nations.

We condemn the long-lasting division of Cyprus, a Member of the EU, and we call all parties involved to enhance efforts towards reaching soon a viable and just solution to the Cyprus problem that would re-unify the country and bring peace and stability in the South-East Mediterranean region, in particular, improving relations among neighboring countries Cyprus, Greece and Turkey. Moreover, the ITUC welcomes the launch of a new round of negotiations last February under the UN Secretary General's good auspices for a comprehensive settlement and encourages the two Cypriot leaders to act with determination to respond to expectations of the workers and people of Cyprus for a peaceful and secure common future with a solution based on all relevant UN resolutions, and according to the principles governing the establishment of the EU.

We will continue to oppose oppression and discrimination on the grounds of religion, colour, nationality, ethnicity, sexual orientation, gender identity, political opinion, social origin, age or disability, and will encourage ITUC affiliates to defend workers suffering such discrimination.

# Conclusion

The ITUC is determined to build the power of workers to shape societies and economies that are socially just.

The trade union movement is making a difference globally; for domestic workers, for workers trapped in modern slavery in Qatar and elsewhere, in confronting corporate power, formalising informal work, organising migrants across borders, building social protection, delivering strong collective agreements and minimum wages, establishing new rights and defending existing fundamental rights in law and practice. We are at the forefront of the struggle for climate justice. We must build on these achievements, through unified and global trade union action to realise a democratic and progressive social and economic system for all the world's people.

This Congress will deliver Action Frameworks to ensure:

- Union growth;
- Sustainable jobs, secure incomes and social protection; and
- Fundamental rights

The uncertainty that people face creates anger and denies hope. We demand a plan and we demand hope. Jobs, jobs and jobs – decent work supported by a global framework of rights.

We have a vision for a positive future for working people and their families, shaped by a strong global labour movement. This movement can organise and mobilise its vast membership to stand united against the vested interests of unregulated capital and markets.

To have the means to do so, we must rethink the way the global trade union movement works and ensure greater effectiveness. We must build an inclusive and participatory trade union movement which can find answers to workers' problems. That also means democratizing and decentralizing the way the international trade union movement works, enabling all the occupational sectors and every level of representation to have their say, so as to respect trade union pluralism.

The ITUC is proud of our inclusive global movement of working people, and we stand with them and their families as we build the power of workers to strengthen democracy and freedom, demand rights and bargain collectively for a socially just world.

The Congress Statement frames the mandate of ITUC action up to 2018. It was adopted with the reaffirmation of the ITUC Vancouver Congress resolutions as a broad policy platform.