

**Global Labour University Conference**  
**2 and 3 APRIL 2007**  
**University of The Witwatersrand, Johannesburg, South Africa**

Welcome to the Global Labour University (GLU) Conference. We hope you enjoy your stay in our vibrant city, Johannesburg, and at one of the oldest universities in South Africa, the University of the Witwatersrand.

The GLU, as you may be aware, is an initiative of the International Labour Organisation (ILO), and is meant to provide Master's level education to trade unionists and labour activists around the world. The University of Kassel in Germany was the first to introduce the GLU programme in 2004. Our university introduced the Master's programme this year, and we will be joined by the Tata Institute of Social Sciences, based in Mumbai, India later in the year, and the University of Campinas, based in Sao Paulo, Brazil will come on board in 2008.

The GLU also facilitates academic and student exchanges, research collaboration and international conferences and workshops such as this one, in the interests of building the counter-movement against the negative impact of neo-liberal globalization. The theme of this year's conference, Labour and the Challenges of Development, reflects both the key role organized labour plays in the development process, as well as the challenges labour faces in a rapidly changing world, with increased informalisation of labour, and the downward pressure on rights and standards. Central to these challenges is the question of economic growth and the redistribution of wealth, the environmental limits to growth, and the threats and opportunities posed by rapidly globalising trade and investment.

We will spend the next few days discussing these and related issues, in what we are confident will be a rich exchange of ideas and experience.

**Devan Pillay**

Conference Convenor  
University of the Witwatersrand



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CONFERENCE PROGRAMME

Monday 2 April: Global Labour University Conference Day One

*Venue: Wits Club, University of the Witwatersrand*

08:00 to 08:30	Morning Tea
8:30 to 10:30	<p>Plenary on Labour, Growth and Inclusive Development                  Chair: Professor Devan Pillay, Department of Sociology, University of the Witwatersrand</p> <p><b>Presentations:</b></p> <p>1. <b>Sustainable Development or Environmental Justice: questions for labour from the Steel Valley struggle.</b>                  Presentation by Professor Jacklyn Cock, Sociology Department, University of the Witwatersrand</p> <p>2. <b>Presentation by Professor Elmar Altvater, Free University, Berlin, Germany</b></p> <p>3. <b>Presentation by Oupa Bodibe, Executive Director of the National Labour &amp; Economic Development Institute (NALEDI), South Africa.</b></p>
10:30 to 11:00	Tea

11:00 to 13:00	Group Sessions 1 : Paper Presentations and Discussions	
	<p><b>Group A1</b></p> <p><b>Theme: Labour the State and Development</b></p> <p><b>1. Labour and Development: What can be learnt from the Nordic Model?</b>  <i>Asbjørn Wahl, Adviser, Norwegian Union of Municipal and General Employees</i></p> <p><b>2. The Welfare State, the European Social Model and 'Southern' Countries</b>  <i>Andrew Watt, Senior Researcher, Employment Policy European Trade Union Institute for Research, Education and Health &amp; Safety (ETUI-REHS)</i></p> <p><b>3. European Flexicurity: Concepts and Consistent Policies</b>  <i>Andranik Tangian, Hans Boeckler Foundation, Germany</i></p> <p><b>4. Between class struggle and the "developmental state": COSATU and the Sector Job Summits, lessons in corporatism</b>  <i>Mandy Moussouris, Global Labour University, University of the Witwatersrand</i></p>	<p><b>Group B1</b></p> <p><b>Theme : Labour, Trade and Development</b></p> <p><b>1. 'Business as usual?' Governing the supply chain in clothing post MFA phase out. The case of Cambodia</b>  <i>Veasna Nuon, National Independent Federation of Textile Unions, Cambodia</i></p> <p><b>2. Post Multifibre Agreement: A Preliminary Assessment of Cambodia and South Africa: A Comparative Analysis</b>  <i>Charlene April South African Clothing and Textile Workers Union</i></p> <p><b>3. Magnitude And Possible Socio-Economic Consequences Of Temporary Movement Of Service Providers Under Gats</b>  <i>Gintare Kemekliene, Researcher, European Trade Union Institute for Research, Education and Health and Safety(ETUI-REHS)</i></p>
13:00 to 14:00	Lunch	

<p>14:00 to 16:00</p>	<p>Group Sessions 2: Paper Presentations and Discussions</p>	
	<p><b>Group A2</b></p> <p><b>Theme: Labour, Growth and Development</b></p> <p><b>1. The Dictatorship of Neo-liberalism and the Nigerian Trade Union Movement's Struggles for Inclusive Development</b> <i>Ifeanyi P. Onyeonoru, Department of Sociology, University of Ibadan, Nigeria</i></p> <p><b>2. Neoliberal Restructuring and Primitive Accumulation Labour and the Global Struggle for Cooperative Alternatives</b> <i>Vishwas Satgar, Executive Director, Cooperative and Policy Alternative Center (COPAC)</i></p> <p><b>3. Presentation by Bob Harris Senior Consultant, Education International Chair, TUAC Working Group on Education, Training &amp; Employment (TBC)</b></p>	<p><b>Group B2</b></p> <p><b>Theme: Labour, Trade and Development</b></p> <p><b>1. Of Jobs Lost and Wages Depressed: The Impact of Trade Liberalization on Employment and Wage Levels in the Philippines, 1980-2000</b> <i>Melisa R. Serrano, University Extension Specialist, School of Labor and Industrial Relations-University of the Philippines, Diliman, Quezon City, Philippines.</i></p> <p><b>2. The Impact of the Andean Free Trade Agreement (AFTA) on labour conditions in Colombia</b> <i>Consuelo Ahumada, Director of the Master Program in Latin American Studies, Javeriana University, Bogota, Colombia</i></p> <p><b>3. Trade, Employment and Development</b> <i>Kristian Weise, Policy Research Officer, ICFTU - International Confederation of Free Trade Unions</i></p>
<p>16:00 to 16:30</p>	<p>Tea</p>	

16:30 to 18:30	Group Sessions 3: Paper Presentations and Discussions	
	<p><b>Group A3</b></p> <p><b>Theme: Labour, Growth and Development</b></p> <p><b>1. Strategies for Reducing Unemployment in South Africa and the Role of Organised Labour</b> <i>Johann Maree, University of Cape Town</i></p> <p><b>2. The State and Labour Market Reforms: Vicissitudes of the Changing Relationship between State, Labour and Capital – An Appraisal of the Neo-Liberal Reforms in India.</b> <i>Saumyajit Bhattacharya, Kirori Mal College, University of Delhi, India</i></p> <p><b>3. Decent Work Enterprise Index: a methodology to analyse the relation between social development and economic growth</b> <i>Ana Yara Paulino, Instituto Observatório Social, Brazil</i></p>	<p><b>Group B3</b></p> <p><b>Theme: Labour, Trade and Development</b></p> <p><b>1. EU multilateral trade policy: an alternative to US imperialism?</b> <i>Birgit Mahnkopf, Professor of European Politics, Berlin School of Economics</i></p> <p><b>2. The impact of trade on employment, wage inequality and social policy</b> <i>Gerry Rodgers, ILO International Institute for Labour Studies</i></p> <p><b>3. Environment in the International Trade Agenda: Implications for Development and Employment</b> <i>Michelle Pressend, Institute for Global Dialogue, Senior Researcher Multilateral Programme</i></p>
18:30 to 21:00	Dinner	



Tuesday 3 April: Global Labour University Conference Day Two

*Venue: Wits Club, University of the Witwatersrand*

08:00 to 08:30	Morning Tea
8:30 to 10:30	<p>Plenary on Labour, Trade and Development</p> <p>Chair: Dr Noor Nieftagodien, University of the Witwatersrand</p> <hr/> <p>Presentations:</p> <ol style="list-style-type: none"><li>1. Presentation by Dot Keet, Centre for Southern African Studies at the University of the Western Cape, South Africa</li><li>2. Trade does not trump employment development strategies Presentation by Mike Waghorne, Assistant General Secretary, Public Services International</li><li>3.</li></ol>
10:30 to 11:00	Tea

11:00 to 13:00	<b>Group Sessions 4 : Paper Presentations and Discussions</b>	
	<p><b>Group A4</b></p> <p>Theme: Labour standards and development</p> <p><b>1. The Effects of Trade Liberalization on the Labour Standards in Iran</b>  <i>Zahra Karimi, Assistant Prof. University of Mazandaran, Dept. of Economics, Iran</i></p> <p><b>2. Mobilisation and Organisation of ITES-BPO Sector Labour in India: Status, Constraints and Emerging Trends</b>  <i>Babu P. Remesh, Associate Fellow, V.V. Giri National Labour Institute</i></p> <p><b>3. International Workers' Rights and Competitiveness</b>  <i>Christoph Scherrer, University of Kassel, Germany</i></p>	<p><b>Group B4</b></p> <p>Theme: Labour, Trade and Development</p> <p><b>1. NAMA negotiations, policy implications and trade union strategies</b>  <i>Esther Busser, Trade Policy Officer, ICFTU</i></p> <p><b>2. Differential Impacts of Tariff Reduction Commitment of Developed and Developing Countries: Results of a Product by Product Simulation Using the Swiss Formula</b>  <i>Ishaque Otoo, Researcher, Policy &amp; Research Department, Ghana Trades Union Congress</i></p> <p><b>3. The Doha Round WTO Negotiations and Its Impacts on Employment in the Agricultural, Industrial and Service Sectors: The Brazilian Case</b>  <i>Alexandre de Freitas Barbosa, Instituto Observatório Social, Brazil</i></p>
13:00 to 14:00	<b>Lunch</b>	

14:00 to 16:00	Group Sessions 5: Paper Presentations and Discussions	
	<p><b>Group A5</b></p> <p>Theme: Labour Standards and Development</p> <p><b>1. A critical analysis of operational requirement dismissal as governed by the South African Labour Relations Act (LRA) in the context of Neo- liberal Global Pressure</b> <i>Mohamed Alli Chicktay, Law Faculty, the University of Witwatersrand</i></p> <p><b>2. Core Labour Standards and Development: Impact on long-term income</b> <i>Rémi Bazillier, University of Paris</i></p> <p><b>3. Core labour standards and their impact on trade and development in Botswana</b> <i>Kholisani Solo, University Of Botswana</i></p> <p><b>4. Labour Standards and Social Equity: The Case of Ghana During Half a Century of Independence</b> <i>Angela Dzedzom Akorsu, Centre for Development Studies, Univ. of Cape Coast, Ghana</i></p>	<p><b>Group B5</b></p> <p>Theme: Trade Union Responses to the Challenges</p> <p><b>1. How do trade unions respond to and act in regional integration processes? A comparison between CUT in MERCOSUR and COSATU in SADC</b> <i>Clair Siobhan Ruppert, Advisor of the International Relations Secretary, CUT Brazil</i></p> <p><b>2. South African Investment in Southern Africa: Trade Union Responses in Zimbabwe, Namibia and South Africa</b> <i>Saliem Patel, Labour Research Service, Cape Town, South Africa</i></p> <p><b>3. Investment Agreements: Trade Union Response and Strategies</b> <i>Hilda Sánchez, Advisor, ICFTU/ORIT &amp; Esther Busser, Trade Policy Officer, ICFTU</i></p> <p><b>4. The Role of Trade Unions redefined in the era of liberalization</b> <i>Kanagarani Selvakumar, Programme Officer, International Labour Organization, New Delhi, India.</i></p>
16:00 to 16:30	Tea	
16:30 to 18:30	Final Plenary and Conference Closing Remarks	
18:30 to 21:00	Dinner and Cash Bar	





***Day One***

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### 1. Sustainable Development or Environmental Justice: questions for labour from the Steel Valley struggle.

The central argument of the paper is that debates on different models of development have to be grounded in the current environmental crisis. This crisis involves increasing pollution and excessive resource consumption on the part of global elites with extremely negative impacts on the health and livelihoods of the poor. The paper argues that the discourse of sustainable development is an advance on earlier protectionist models of environmentalism in that it is concerned with human needs, but it is generally marked by technicist, pragmatic and reformist attempts to bring environmental externalities into the marketplace through ecological modernization. The concept has been extensively criticized for the vagueness which has enabled it to be incorporated into neo-liberal approaches. The discourse of environmental justice provides a radical alternative, questioning the market's ability to bring about social or environmental sustainability. The argument is illustrated with reference to a case study: the Steel Valley struggle for environmental justice. This is introduced by a profile of two individuals - Lakshimi Mittal, chairman of the company which controls 10% of global steel production, and Strike Matsepo who has lost his health and livelihood from the pollution of the groundwater around Vanderbijlpark by Mittal Steel. The paper concludes that the minimal role of organised labour in this struggle reflects the labour movement's failure to acknowledge the implications of the environmental crisis generally and specifically the resource constraints on development and growth.

#### **Presentation by Professor Jacklyn Cock, Sociology Department, University of the Witwatersrand**

*Jacklyn Cock is Professor Emeritus in the Department of Sociology Wits and an Honourary Research Professor with the Sociology of Work Programme (SWOP). She has published extensively on gender, militarisation and environmental issues including, *Going Green. People, Politics and the Environment* (Cape Town: Oxford University Press, 1991) and is active in the environmental movement.*

### 2. Presentation by Professor Elmar Altvater, Free University, Berlin, Germany

*Elmar Altvater was Professor of Political Science at the Otto-Suhr-Institute of the Free University of Berlin, before retiring on 30 September 2004. He continues to work at the Institute, and to publish articles and books.*

*As a student, Altvater studied economics and sociology in Munich, and attained a doctorate with a dissertation on "Environmental Problems in the Soviet Union". At the Otto-Suhr-Institute, he was active in socialist research groups, working with among others Klaus Busch, Wolfgang Schoeller and Frank Seelow, and he gained fame as one of Germany's most important Marxist philosophers, who strongly influenced the political and economic theory of the 1968 generation of radicals. In 1970, he co-founded the German journal "PROKLA - Journal for Critical Social Science" of which he remains an editor. In 1971 he became university professor in political economy at the Otto-Suhr-Institute. Apart from questions of development theory, the debt crisis, and the regulation of markets, he remains preoccupied with the effects of capitalist economies on the environment. Altvater is a renowned critic of political economy and author of numerous writings on globalization and critiques of capitalism.*

### 3. Presentation by Oupa Bodibe, Executive Director of the National Labour & Economic Development Institute (NALEDI), South Africa.

*Oupa Bodibe is the Executive Director of the National Labour & Economic Development Institute (NALEDI). From 1996-97, he was National General Secretary of the South African Student Congress (SASCO). From 2000 until recently, he served as Coordinator in the Secretariat of the Congress of South African Trade Unions (COSATU). He holds a BA (Honours) degree in economics from Vista (now the University of Johannesburg), as well as a Post-Graduate Diploma in Economics from the University of London.*





## 1. Labour and Development: What can be learnt from the Nordic Model?

The Scandinavian countries in the North of Europe have been, and are still being, used as a success model for economic and social development. In the 20<sup>th</sup> century, particularly the last part of the century, these countries developed strong welfare states with universal social rights and a comprehensive redistribution of wealth in society. Poverty was more or less eradicated, and workers and other ordinary people experienced enormous social progress.

Many labour organisations in the South as well as left-leaning politicians (fx President Lula in Brazil) are interested in “importing” this model to their countries. Trade unions and political parties, particularly social democratic parties, of the North are just as eager to “export” their successful social model, and they use a lot of resources to transfer their experiences to the South. Social peace, tripartite co-operation and social dialogue are being promoted as central measures in order to achieve the Nordic model.

I will challenge this conventional wisdom. I will argue that the welfare state, rather than being a general road to development, was the result of a very specific historic development in the 20<sup>th</sup> century, and it can hardly be copied. Contrary to being the result of social dialogue and tri-partite co-operation, the welfare state was the result of a long period of hard social struggle and class confrontations. It was a comprehensive shift in the balance of power in society, in favour of organised labour, which made the welfare state possible.

The welfare state, in the form of regulated capitalism, was never an aim for the labour movement in the North before it was created. The stated aim was socialism. It was in fear of socialism (after the Russian revolution and a strengthening and radicalisation of the labour movement in Western Europe during WWII) that capital owners in Western Europe gave in to many of the demands of the labour movement – in order to dampen its radicalism. It was as a result of this that the historic compromise, or the social pact, between capital and labour developed, and which formed the social basis for the welfare state. Thus, social dialogue and tripartite co-operation was an effect rather than the source of the new balance of power.

Today capital has more or less withdrawn from the social pact and has started to attack and undermine the social achievements which were won during the welfare state. Through the neo-liberal offensive the balance of power has shifted to the benefit of capital. Poverty is increasing again, and the gap between rich and poor is rapidly widening. A depoliticised and de-radicalised trade union movement has been pushed on the defensive.

The welfare state was not only a sum of social institutions and public budgets. It represented first and foremost specific power relations in society. These have now gone lost, and the welfare state is on the decline. The main aim of the labour movement in the North as well as in the South today must therefore be to delimit the power of capital and to make the economy subject to democratic control. This is not done through social dialogue and tri-partite co-operation, but through class struggle and social confrontations.

### **Author: Asbjørn Wahl, Adviser, Norwegian Union of Municipal and General Employees**

*Asbjørn Wahl (55) is Adviser at the Norwegian Union of Municipal and General Employees. He is also the national co-ordinator of the broad Campaign for the Welfare State (For velferdsstaten) in Norway. Trained in history and sociology, he has many years of experience in the trade union movement, including the Norwegian Union of Railwaymen and the International Transport Workers' Federation (ITF) in London, at whose head office he worked for some years in the 1990s. He is currently Vice President of the ITF Road Transport Workers' Section. Asbjørn Wahl was also a founding member of Attac Norway and he is a member of the Co-ordinating Committees of Forum Social Europe (an informal trade union network) as well as of the European Network for Public Services. He has published a number of articles on politics, social and labour questions in magazines and books both in Norway and internationally.*

## 2. The Welfare State, the European Social Model and 'Southern' Countries

Sections 1 a, b and d of the call for papers ask searching and difficult questions about the role of the state and of organised labour in economic development. In principle these questions are valid whatever the current level of economic and social development of a country, albeit the focus of the conference is on currently 'underdeveloped' countries. At the same time there is a long and controversial debate regarding the extent to which such countries can and should 'learn' from – both the successes and the mistakes of – advanced capitalist countries (ACCs). The experience and knowledge of both the author and the ETUI-REHS being with these countries, and particularly those of the European Union, the paper will seek to address the above-mentioned questions in terms of our knowledge of the ACCs – and specifically of the differences between them in terms of both institutional structure and economic and social outcomes.

It is well known that the recommendations made towards developing countries by international financial institutions such as the IMF and the World Bank are based on a model, supposedly successful in the ACCs countries, characterised by a small state sector, low levels of regulation and taxation, a limited welfare state, 'orthodox' macroeconomic policies, and, not least, weak trade unions. This, so-called Washington consensus suggests that by adopting 'liberal' policies, as pursued – or seemingly so – by the 'Anglo-Saxon' countries, and especially the USA, less developed countries will be transformed into dynamic market economies, enjoying fast growth and low unemployment.

Quite apart from the issue of whether such policies are suitable for low-income countries, there has been a controversial debate within the ACCs – and notably the rich-country club, the OECD – on the virtues and vices of the liberal model. This is reflected in a wide-ranging literature on the so-called 'varieties of capitalism' (e.g. Hall and Soskice 2001) and the debates about the European Social Model (e.g. Sapir 2006). Most recently, the OECD has just completed a major reassessment of its influential 'Jobs Strategy', which had been instrumental during the 1990s in pushing ACCs down a 'liberal' reform path.

Previous work by the author (Watt 2004, 2006, Watt/Janssen 2005), building on this literature, has shown the comparative advantage, not only in social but also economic terms, of an alternative model of capitalism, as exemplified by the Scandinavian and some Continental European countries. It is shown that a strong welfare state, government regulation, strong trade unions and judicious use of counter-cyclical macroeconomic policy – all anathema to the liberal tradition – can promote balanced economic development with high employment, low unemployment and reduced income disparities.

For the conference paper I propose to draw on some of this work and rethink it with specific reference to the policy recommendations made to 'southern' countries. In particular, the following questions can be addressed. Can elements of the successful European countries, based on an active and generous welfare state, judicious use of counter cyclical policies and strong trade unions, be used as a basis for alternative policy recommendations for developing countries? What might be some of the preconditions for doing so? What are the key building blocks? Is the European Social Model something that can help progressive social forces and labour movements outside Europe to mobilise? Is there any evidence that they are doing so already? Is the EU doing enough to promote its model with developing countries? How can the dangers of covert protectionism be avoided?

**Author: Andrew Watt, Senior Researcher, Employment Policy European Trade Union Institute for Research, Education and Health & Safety (ETUI-REHS)**

### 3. European Flexicurity: Concepts and Consistent Policies

The notion of *flexicurity* promotes the idea of compensation of labour market deregulation (= flexibilization) with advantages in employment and social security. The paper contains a brief history of the concept and its operational definition. To monitor effects of flexicurity policies in Europe, flexicurity indicators are constructed. The empirical investigation shows that, contrary to political promises and theoretical considerations, the deregulation of European labour markets is absolutely predominating. A contradiction between several European employment policies is suggested to surmount by introducing a so called *flexinsurance*, meaning that the employer's contribution to social security should be proportional to the flexibility of the contract/risk of becoming unemployed in conjunction with elements of the basic minimum income model.

**Author: Andranik Tangian, Hans Boeckler Foundation, Germany**

*Andranik Tangian, Privat-dozent, Dr., Dr.Sc., responsible for econometrics research/ development of new indicators at the Institute for economic and social research (WSI) in the Hans-Böckler Foundation. Born in 1952 in Moscow, graduated mathematician (Moscow State University 1974), Ph.D. in Systems Analysis (Academy of Sciences of the USSR, 1979), Russian habilitation in Math.cybernetics (Academy of Sciences of the USSR, 1989), German habilitation in Math.economics (FernUniversität Hagen, 1998), besides the main occupation at the Hans-Böckler Foundation – Privat-dozent at the University of Karlsruhe (course "Decision making in politics and economics").*

#### **4. Between class struggle and the "developmental state": COSATU and the Sector Job Summits, lessons in corporatism**

The progressive labour movement, centred around COSATU, has played a key role in struggles for national liberation and socialism, but finds itself on the defensive today. This paper is intended to reflect on the development of the corporatist model in South Africa, the role of COSATU in the development of progressive and worker friendly industrial strategy and the astuteness of choosing such a strategy in the post 1994 democratic dispensation. The paper will assess the influence of the federation on such strategy subsequent to its crucial role in the establishment of South Africa's democracy and its incremental role in getting the ANC, within the alliance, into power. The paper will trace the development of Corporatism in South and using the Sector Summit (SS) process as a case study, will attempt to assess whether this initiative was at all a success both in terms of the development of working class industrial strategy as well as in broader terms corporatist dialogue. Or if indeed it is possibly time for the movement to reassess its position in terms of corporatism, particularly given the current balance of power and the lessons learned from the SS process. It will then move on to assess what influence the federation has within the social dialogue process and whether it is in the federations best interest to pursue this avenue of development.

**Author: Mandy Moussouris, Global Labour University, University of the Witwatersrand**

*Mandy Moussouris is the Coordinator of the Global Labour University Masters Programme at the University of the Witwatersrand, Johannesburg South Africa. Prior to this she worked at NALEDI the labour research institute linked to COSATU on a number of programmes including the Sector Job Summit Project conducting amongst other things research in Industrial Strategy. She has been a trade union educator for many years in the South African Trade Union movement.*

**Notes:**

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## 1. 'Business as usual?' Governing the supply chain in clothing post MFA phase out. The case of Cambodia

In 1999 the US-Cambodia Bilateral Textile Agreement linked quota access in the US market to factories' compliance with international labour standards, as monitored by the (now named) 'Better Factories Programme' of the International Labour Organization. By 2004, Cambodia, had quadrupled its garment exports to \$1.6 billion from a 1995 figure of \$26 million. Much of this was based on incremental awards of quota to those registered factories which had shown improvements in working conditions under the ILO monitoring programme. Many have hailed this a breakthrough model for linking development with improvements in labour standards. Certainly with apparel accounting for 85% of the country's merchandise exports to the USA and the EU and 80% of the country's manufacturing employment in 2004, the country's economy has gained from quota increase based on sector-wide labour standards performance. On December 31, 2004, however, quotas were eliminated under the Agreement of Textiles and Clothing (ATC) and trade in textiles and clothing was thus reintegrated into the world trade system.

Major questions have arisen as to whether the Cambodian apparel industry can remain competitive in the wake of the MFA phase out and more fundamentally whether the 'Better Factories Programme' has actually improved the material position of Cambodian garment workers. This paper addresses these questions and concludes that Cambodia is faring better than expected post phase-out, but poses questions as to the extent to which this is attributable to the imposition of China safeguards, rather than the impact of the enforcement of labour standards. Moreover, study of the early phase of the Better Factories Cambodia suggests a somewhat premature award of quota, a low propensity on the part of Cambodian garment manufacturers to improve and major resistance to change on the key issues of low wages and excessive working hours. As the monitoring and remediation programme moves towards a market-based incentive system/framework to increase compliance with international labor principles and local labor law in the garment sector, industry studies point not to socially responsible production as the palliative for survival post 2008, when the safeguards are lifted, but to major efforts at industrial upgrading.

**Authors: Veasna Nuon, National Independent Federation of Textile Unions, Cambodia; Doug Miller, International Textile Garment and Leather Workers Federation; Charlene April and Ramon Certeza, South African Clothing and Textile Workers Union**

*Veasna Nuon has been working as Technical Adviser for 4 years for one of the oldest and largest Cambodian textile workers' federations called the National Independent Federation of Textile Unions in Cambodia (NIFTUC). Veasna graduated in 2006 from the International Master Program on Labour Policies and Globalisation (LPG) at the Global Labour University (University of Kassel and Berlin School of Economics, Germany)*

## **2. Post Multifibre Agreement: A Preliminary Assessment of Cambodia and South Africa A Comparative Analysis**

The paper examines the impact of the removal of quota restrictions under the Multifiber Arrangement (MFA) and the subsequent implications of this development to South Africa and Cambodia. Whilst many studies have been undertaken and there are different opinions from industry analysts in assessing the shock wave by the end of the MFA this study focuses on the details of trade agreements, particular of concern is the labour aspect, monitoring and compliance. In assessing the short term impact of the phasing out of quotas it will become apparent that there are diverging factors that affect the textile and clothing industry. This paper attempts to highlight these factors via a presentation of a comparative analysis illustrating that these two countries are so far on the opposite ends of the shock and argues what are the impending challenges and opportunities for South Africa and Cambodia had in confronting Post-MFA era.

**Authors: Charlene April & Ramon Certeza, South African Clothing and Textile Workers Union**



### 3. Magnitude And Possible Socio-Economic Consequences Of Temporary Movement Of Service Providers Under Gats

The liberalisation of temporary movement of service providers under the GATS Mode 4 raises a number of important and complex issues that go beyond trade policies and involves employment, migration and social issues. To date, the scope of Mode 4 commitments and its share in international services trade remains very limited and uncertain. However, the combination of a range of factors, such as the growth of trade and investment flows, technological change, declining transport and communication costs, global business chains will likely to lead to more demand for the liberalisation of the movement of natural persons. Temporary mobility is also likely to grow given that developed countries try to balance their needs resulting from population aging and rising education level; and that developing countries consider liberalization of Mode 4 as a main source of gains from the DDA Round. Therefore, much of the attention arises from the potential of the Mode 4 negotiations rather than their current achievements.

This paper draws upon the author's research in the ETUI-REHS project "Does GATS pose a challenge for the European Social Model?" and focuses on several aspects of the movement of services providers under Mode 4. It first reviews the scope of Mode 4 and the content of the requests and offers in relation to Mode 4. It then looks at the magnitude of cross-border movement of service providers under GATS Mode 4. Finally the paper focuses on potential socio-economic implications of temporary movements of services providers for both receiving and sending countries.

**Author: Gintare Kemekliene, Researcher, European Trade Union Institute for Research, Education and Health and Safety**

*Gintare Kemekliene was born 1978 in Lithuania, graduated in International Political Economy and Development from Fordham University (USA) including development economics studies, Columbia University (USA). Stagiaire in the European Commission, Directorate General for Trade in October 2004 - February 2005 and UNIDO in 2004. Researcher at ETUI since March 2005. Research interests: implications of cross-border trade and migration on employment and labour markets in the EU.*



## 1. The Dictatorship of Neo-liberalism and the Nigerian Trade Union Movement's Struggles for Inclusive Development

The last three decades witnessed widespread implementation of neo-liberalism in the for of liberal democracy and economic reforms in Nigeria. The authoritarian implementation of the reforms, however, raises concern about social exclusion in the development process. Hence, while Nigeria is credited with appreciable economic growth under the “democratic” period, it is paradoxically discredited with a high poverty profile, low human development ranking and entrenched corruption. These are pointers to enclave development in the country. Against the backdrop of a shift in development paradigm from state-led economy to private sector-led one by the Nigerian State from 1986 to 2006, the paper employs dominantly secondary data to evaluate the Nigerian development project in terms of the twin contested variables of economic growth on the one hand, and the quality of social existence on the other. The paper proceeds to detail aspects of paradigm contestations and related struggles by the civil society – championed by the Nigerian trade union movement. It embraces the imperial impulse and its bearings on the social contract, the consequent tensions as well as the implications of these for social inclusion in development and sustainable democracy in Nigeria.

**Author: Dr. Ifeanyi P. Onyeonoru, Department of Sociology, University of Ibadan, Nigeria.**

*Ifeanyi P. Onyeonoru holds a Ph.D from the University of Ibadan, Nigeria. He specialised in the Sociology of Work and Industry. He is a member of the Nigerian Institute of Management (NIM) (Chartered). His research interests include trade unions and development, labour migration and gender and work. Dr. Onyeonoru is also a research fellow of the Center for Peace and Conflict Studies, University of Ibadan.*

## 2. Neoliberal Restructuring and Primitive Accumulation Labour and the Global Struggle for Cooperative Alternatives

This paper makes three arguments for cooperative alternatives to globalising capitalism. First, it challenges the economic determinism of globalisation ideology by bringing into focus the historically specific character of industrial capitalism; the particular relations of production that were required to bring it into existence. Moreover the central role labour has played in ensuring the making and reproduction of capitalism is highlighted. This is a point of departure to argue for labour to go beyond the ideological hegemony of capital and to take seriously the development of collective relations of production through cooperative forms to ensure the reorganisation of society to meet the needs of human beings and secure the requirements for the sustainable existence of nature. Second, it is argued that cooperatives are no longer part of the utopian imagination but have been in existence for about two hundred years and have been central to the development of capitalist, communist and post-colonial societies. More importantly it is emphasised that cooperatives today are an integral part of the global political economy. The third argument for cooperative alternatives emphasises the consequences of the neoliberal primitive accumulation model for development and social reproduction. The second part of the paper foregrounds the neoliberal attack on cooperative forms and the various attempts to subordinate cooperatives to the discipline of competitiveness and profit maximisation. The paper then focuses on the resistance of the cooperative movement and labour to defend the people centered identity of cooperatives. The paper highlights the Polyanian double movement that has emerged from the International Cooperative Alliance and labour, through the ILO, to defend cooperatives. Finally, the paper ends with a focus on the challenges labour has to advance cooperative alternatives as part of a transformative and counter-hegemonic practice.

### **Author: Vishwas Satgar, Executive Director, Cooperative and Policy Alternative Center (COPAC)**

*Vishwas Satgar has been a political activist in South Africa for the past 22 years. In the transition to democracy he worked for 5 years at COSATU's think-tank NALEDI on labour law reform. He has also worked on cooperative development in post-apartheid South Africa for the past 8 years and is currently the Executive Director of the Cooperative and Policy Alternative Center (COPAC). Satgar is registered at WITS University for a Phd in international relations focusing on Africa's adjustment to transnational capital.*

### **3. Presentation by Bob Harris (TBC)**

*Senior Consultant, Education International Chair, TUAC Working Group on Education, Training & Employment*





## 1. Of Jobs Lost and Wages Depressed: The Impact of Trade Liberalization on Employment and Wage Levels in the Philippines, 1980-2000

Using the Philippines as a country study, this paper adds up to the emerging growth literature challenging the causal link between trade liberalization and economic growth. In fact, the Philippines' dismal economic performance in the period 1980-2000, the hey-day of external liberalization, only brought stagnation, unemployment and declining real wages. For the first time, the Philippines experienced negative growth during the period.

Challenging the dominant economic paradigm that drives today's process of globalization and the neoliberal theoretical assumptions linking trade liberalization to growth is thus the area of theoretical debate where this research seeks to engage in.

Coherent and legitimate industrial policies and strategies should focus not only on price stability but on sources of real stability such as on employment, wages, poverty reduction and elimination, and equity. An enlargement of public policy space for developing countries both in the national and international trade environment is crucial to enable these countries to undertake pro-people growth and sustainable development strategies.

The union's role becomes all the more important in continuously engaging with state and non-state actors to put people at the core of the development agenda. This calls for a more sustained and concerted labor action that is focused on community and solidarity.

**Author: Melisa R. Serrano, University Extension Specialist, School of Labor and Industrial Relations-University of the Philippines, Diliman, Quezon City, Philippines.**

*Melisa R. Serrano is currently University Extension Specialist in the School of Labor and Industrial Relations of the University of the Philippines (U.P. SOLAIR). Melisa holds two Masteral degrees, one on Industrial Relations from the U.P. SOLAIR and the other on Labour Policies and Globalisation from the Global Labour University (University of Kassel and Berlin School of Economics). Melisa's recent research engagements are in the following areas: social security, union adjustments strategies and union revitalization/social movement unionism in the context of globalization, job quality in micro and small enterprises, union voice in multilateral institutions, potentials of a Social Charter in the ASEAN, trade union rights and employment conditions in the public sector, and trade liberalization's impact on wages and employment. To date, she has several publications to her name. Melisa also conducts awareness-raising seminars and competency- and capability-building training activities involving unions and other peoples' organizations.*

## 2. The Andean Free Trade Agreement (AFTA) and labor conditions in Colombia

On November 22, 2006, the government of Colombia signed the CTPA (Colombian Trade Promotion Agreement) with the United States, in the midst of strong controversy and opposition from various sectors, including social and political organizations, trade unions and scholars. This agreement came out as a materialization of the AFTA (Andean Free Trade Agreement) a process of negotiation initiated in May 2004 between the US and three Andean countries, Colombia, Peru and Ecuador. On its turn, the Andean trade negotiation was the result of the failure of the FTAA (Free Trade Agreement of the Americas) in October 2003, when Brazil and other countries opposed the American project. The AFTA negotiations finally concluded with Peru in 2005 and Colombia, a few months later, whereas Ecuador abandoned the negotiation in 2005 and later on, after the presidential election, the new government of Rafael Correa decided not to negotiate such trade agreement with the US.

Although labor conditions were not expressly discussed in the CTPA negotiations, several provisions, especially those related to conditions of trade and investment, as well as those concerning the agricultural sector, affect directly the conditions of workers in Colombia.

This paper is aimed at examining the perceived impact of AFTA in labor conditions in Colombia, in the context of the deepening of market-oriented policies in the country and in the region. The paper is broken up into two parts. In the first, an analysis of the neoliberal principles regarding labor conditions and of the international and regional contexts resulting from the generalization of the policies stemming from those principles, will be undertaken. In the second part, the possible impact of AFTA on labor conditions in Colombia will be examined. The main sources of this paper are scholarly works, official documents, from the US and Colombia, as well as pieces of analysis from NGOs and independent organizations.

**Author: Consuelo Ahumada, Director of the Master Program in Latin American Studies, Javeriana University, Bogota, Colombia**

*Consuelo Ahumada is Director of the Master Program in Latin American Studies and of the Andean Observatory, in the Javeriana University, Bogotá. Director of Nueva Gaceta, an independent periodical publication. PhD in Political Science, from New York University. Author of various publications, among them "The neoliberal model and its impact on Colombian society", El Áncora Editores, Bogotá, 1997.*



### 3. Trade, Employment and Development

This paper will critically assess the relationship between trade, employment and development. This will be done by both examining the historical effect of trade liberalisations through empirical – primarily statistical – comparisons and by examining theoretical arguments around the linkage. In the empirical part, the focus will be at the macro level, concentrating mostly on the experiences of developing countries. In the more theoretical part, the paper will present the theoretical fallacies that much trade liberalisation has been based on as well as the counter arguments for why trade alone is no panacea for development.

Empirically, this paper will show that the way trade liberalisation has been designed and implemented over the last decades has had a negative, quantitative and qualitative, effect on employment in developing countries, has led to de-industrialisation in many countries, and has undermined the development potential that many countries held before liberalisations. Based on these historical findings, an estimation of future liberalisation scenarios – as those pursued in the current NAMA negotiations in the WTO – will be presented.

In the more theoretical part of the paper, it will be argued that for trade to serve employment and development it must be based on asymmetrical liberalisation not full reciprocity. To show why increased trade only seldom enhances development, the paper will moreover discuss the static nature of comparative advantage, why efficiency gains do not always lead to enhanced production capacities, and how the few economic gains that are achieved from trade most often are complemented by adverse distributional at an even larger scale.

In conclusion, the case for protection of nascent industries together with comprehensive industrial policies will be presented as a strategy for development, employment, wage growth and the improvement of working conditions.

This paper will be produced as part of the ITUC's endeavour to debunk the myths of trade on employment and development, which will be central in both its research and policy work in 2007.

**Author: Kristian Weise, Policy Research Officer, ICFTU - International Confederation of Free Trade Unions**



## 1. Strategies for Reducing Unemployment in South Africa and the Role of Organised Labour

One of the most serious challenges facing the post-apartheid regime in South Africa is unemployment and the urgent need for massive and sustainable job creation over a long period of time. Unemployment is one of the major causes of poverty and crime in the country. A drastic reduction in unemployment would therefore contribute significantly to the reduction of both poverty and crime. This paper looks at the options that are available for job creation on a large enough scale to reduce unemployment significantly. It identifies six major strategies that can be adopted and examines particular features of each strategy. The six strategies are:

1. Macro-economic policy to achieve sustainable economic growth at a rapid enough rate to reduce unemployment levels significantly;
2. Industrial restructuring in order to ensure the competitiveness of the country's major industries in the light of neo-liberal globalization;
3. Skills development to provide the necessary skilled labour to ensure that the economy is not strangled by a skills shortage;
4. Encouraging the flourishing of the informal economy;
5. Removing redundant regulation in the formal economy for emerging small enterprises; and
6. Public works projects that can simultaneously create employment and provide the infrastructure required for economic development.

The paper spells out the constructive and developmental role that trade unions can play in two of these strategies, namely industrial restructuring and skills development. It does so by focusing on the role of the National Union of Metalworkers of South Africa, NUMSA, in the motor assembly industry. The paper contends that these are two developmental strategies by unions that can really help to empower workers.

### Author: Johann Maree, University of Cape Town

*Johann Maree is Professor of Sociology at the University of Cape Town. He is also a member of the Labour and Enterprise Policy Research Group at the University. He has been at the University of Cape Town since 1972 and became involved in the organisation of a Black trade union in Cape Town during the early 1970s. In 1976 he became a member of the Editorial Board of the South African Labour Bulletin. He served on the Board for 28 years, 21 of them as chairperson. He edited a book, *The Independent Trade Unions 1974-1984* (Ravan Press, 1987), that covered key episodes in the re-emergence of Black trade unions.*

*Johann was a member of the Industrial Strategy Project that was commissioned by COSATU to formulate a new industrial strategy for sectors of the manufacturing industry in the early 1990s. He researched the textile sector and wrote a book, *An Industrial Strategy for the Textile Sector* (UCT Press, 1995). He was also a member of the research team that published *Taking Democracy Seriously* (Indicator Press, 1995), a book that examined COSATU members' expectations of parliamentary and trade union democracy shortly before the first democratic election in 1994. Recent areas of research of Johann has been bargaining councils, worker participation and its impact on performance, job creation and skills development.*

## **2. The State and Labour Market Reforms: Vicissitudes of the Changing Relationship between State, Labour and Capital – An Appraisal of the Neo-Liberal Reforms in India.**

This paper examines some critical aspects of labour market reforms as part of the package of neo-liberal economic reforms and locates the shifts in the neo-liberal discourse in this regard. It examines the historical context in which labour could bargain with State and capital and extract significant concessions in the post second world war period and then the reversal of this process in the era of globalisation. It then looks at the specific experience of India in the context of the general trajectory of these reforms at the global level and particularly locates it in the historical evolution of the changing relationship between the State, labour and capital.

The first part of the paper looks at the rationale and context of the labour market reforms in general. It traces the evolution of the neo-liberal discourse and notes a significant shift that has occurred within it. It situates this shift in the changing relationship between State, capital and labour in the context of the broad changes in the global political economy in general and in global organisation of production in particular. In this context the paper highlights the tendency to camouflage the basic asymmetry between labour and capital as a central feature in the ideology and rationale of the neo-liberal reforms.

The second part of the paper deals with the content and context of labour reforms in India. It examines the historical context in which the tripartite bargaining framework and the existing labour laws evolved in India during the colonial period and the post-independence era. The paper delves into the specifics of labour reforms being suggested as well as being practised in India and places them in the general trajectory of the global labour reforms. It argues that the current offensive on labour is linked to India's current involvement in the globalised commodity and service chains and the attempt to form a new compact of capital and the State. The paper observes that the concrete trajectory of the reforms being practiced, rather than being a significant break from the past, evolves from and utilises the existing apparatus of arbitration, adjudication and legal processes historically constituted by the State. The paper opines on the desirability or otherwise of the tripartite bargaining framework in face of the current offensive by State and capital and argues for preserving and redefining the tripartite framework, rather than jettisoning it in the current conjuncture.

### **Author: Saumyajit Bhattacharya, Kirori Mal College, University of Delhi, India**

*Saumyajit Bhattacharya teaches Economics at Kirori Mal College, University of Delhi, India. He has been educated at St.Xavier's College, Calcutta and Jawaharlal Nehru University, New Delhi. His academic interests lie in the areas of labour, State, finance, globalisation and gender studies. He has been actively involved in the formulation of a Policy Against Sexual Harassment at the Workplace and its implementation in the University of Delhi and has also been active with the teachers' trade union in the university.*

### 3. Decent Work Enterprise Index: A Methodology to Analyse The Relation Between Social Development and Economic Growth

The economic growth is not a guarantee for human or social development. One way of discussing the relation between social development and economic growth is to bring the real labour conditions into the analysis of this phenomenon. The concept of decent work promoted by ILO is an important approach for it purpose. This concept differs from various other approaches that address the problem of social development strictly to the balance between government and business actions that result on employment or improve the employability.

Based on the concept of decent work, this paper aims to present a methodology of verifying and monitoring the quality and conditions of work at enterprise level in Brazil. Behind the methodology, the objective of Instituto Observatorio Social is to raise a discussion about how Brazilian trade unions and labour organizations can interfere with the business and government policies, using the decent work dimensions. The intention is to build a reflection if and how decent work dimensions can be used as a parameter that is able to keep the social development connected to economic growth.

Three topics are discussed in the paper. First, the ILO strategic objectives of decent work is discussed as a possible understanding of social development. The objective of ILO in promoting the idea of decent work is to influence policies at national level in order to improve the employment of quality, social security, rights at work, and better representation in favour of all, reinforced by the concept of social dialog. The question is how these decent work dimensions can be linked to human or social development. The connection appears when the study is focused on the factories practices related to decent work and the unions actions to promote better conditions of work.

The second topic treated on the paper is about the monitoring methodology at enterprise level. The private capital has difficulties in adopt decent work dimension integrally. The enterprises avoid establishing self-restrictions that could reduce its competitiveness on the global market as a possible consequence of the introduction of decent work at its workplace. On the other side, trade unions leaders and workers have different understanding about decent work and its dimensions. The challenge is to build a methodology that is able to integrate unions, workers and enterprise personnel in a process of verification of decent work inside the factory's plants.

The last topic intends to present an index of decent work at enterprise level. The result of researches involving union leaders, workers and enterprise administrative staff is aggregated and presented as a synthetic number that indicates the positive or negative distance between the real work condition in a factory and a standard decent work enterprise concept. The index is an instrument for planning actions, to make and evaluate policies and to analyze if the economic growth is really creating human and social development.

**Authors: Ana Yara Paulino, Maria Lúcia Vilmar and Ronaldo Baltar, Instituto Observatório Social, Brazil**

*Ana Yara Paulino is graduated in Social Sciences, master in Political Science at University of São Paulo (USP) and doctorate in the Graduate Program in Social History of the Pontifical Catholic University of São Paulo (PUC-SP). She does research and educational work at Inter Union Department of Statistics and Socio-Economic Studies (DIEESE) since 1996. There she was the executive coordinator of projects on "Employment and technological development" (1997-2005), a partnership between DIEESE, State University of Campinas (Unicamp) and National Council for Scientific and Technological Development (CNPq). Since 2006, she integrate the research team of Social Observer Institute (IOS), São Paulo, Brazil. Main topics of her interest and publications: decent work, work conditions in multinational corporations, gender and race/colour issues, rural questions (specially family farm), and social sciences methodological approaches (including focus group and oral history).*



### 1. Title: EU multilateral trade policy: an alternative to US imperialism?

While multilateral agreements under the WTO (such as GATS, TRIPs, NAMA and a new Multilateral Investment Agreement) are being fiercely opposed by trade unions and social movements, interregional and bilateral agreements do not face a similar attention. However, these treaties which grew rapidly in number during the mid of the 1990s, include similar rules and can lead to far-reaching obligations for developing countries in areas where WTO decisions have not been taken yet or blocked by southern resistance.

It is not just the US which pushes its economic interests in treaties outside the WTO. The EU is pursuing its own liberalization and deregulation scheme multilaterally within the WTO and at the same time in regional and bilateral agreements. However, there is a widespread understanding that the EU, as opposed to the US, is a guardian of civilised collaborative behaviour, characterised not by what it wants, but by what it does not want", including no violation of human rights and human dignity neither inside nor outside Europe, no besmirching of human dignity through absolute poverty. Actually, external policy of the EU is associated with multilateral and rule-based behaviour, "soft geo-policy" oriented towards co-operation and consent, focus on poverty eradication and human rights objectives, an emphasis on sustainable development and global environmental policies, a claim on coherence between foreign economic policy, development policy and security policy, the attempts to solve structural causes of conflicts in order to get sustainable peace.

Against the background, the paper will deal with the following questions: How is European "openness and cosmopolitanism" reflected in its trade agenda as the most developed part of its new broad security concept? How does EU trade policy fit into the intention of a coherent external policy? Is it really the case that the EU "sees the well being and stability of its Southern neighbours as important to its own well-being and is willing to invest the necessary resources to help them good neighbours", as A. Crosby from the International Institute of Sustainable Development stated?

In the paper I will elaborate the main elements of regional free trade and bilateral investment agreements the EU already has negotiated and currently is negotiating with various developing countries as far more restrictive "WTOplus" arrangements. The "Economic Partnership Agreements" currently under negotiation with ACP countries and EU's "strategy for Africa" adapted in November 2005 will be taken as a touchstone for the coherence of its external policy. Secondly, the requirements of a development-friendly approach to investment rules and the goals of an alternative order of world trade will be sketched. Thirdly, the role of trade unions will be discussed.

#### **Author: Birgit Mahnkopf, Professor of European Politics, Berlin School of Economics**

*Professor Birgit Mahnkopf has a PhD and Post-Doctoral degree (habilitation) in Social Sciences (Berlin). She is currently Professor of European Policy at the Berlin School of Economics in Berlin/Germany. Her previous appointments have been visiting professor, at the Institute of Sociology, Technical University Darmstadt; research fellow at the Science Centre for Social Research Berlin (WZB) and Landesinstitut Sozialforschungsstelle Dortmund; and, lecturer in Sociology at the Free University Berlin. Her areas of expertise are international political economy; globalisation and governance; industrial relations; theory of organisations and sociology of work. Her current research work has been the impact of privatisation on the European Social Model ([http://www. Presom.eu](http://www.Presom.eu)); Geopolitics of the EU (together with Elmar Altvater). She is also a member of the Scientific Council, ATTAC Germany; and a member of several advisory boards including the German Foundation for Peace Research, Working Life Research Centre in Vienna, Global Labour Institute in Geneva, and the Editorial Board. She has also held the following positions: Chairperson of the Association of German Scientists(2000-2007); Member of the Commission on Basic Values of the SPD (2000-2003); PROKLA - Journal for Critical Social Sciences (1983-2003). She has published 9 books and 100 articles in books and journals in a number of areas including sociology, political science, industrial relations and education.*

## 2. The impact of Trade on Employment, Wage Inequality and Social Policy

The presentation will summarize some of the outcomes of a joint ILS-WTO study which reviews the existing research literature on the impact of trade on employment and wage inequality, issues of insecurity and adjustment, and some of the possible policy responses. In the light of this it will explore how far trade policies and labour and social policies interact, and the implications for policy design.

**Presenter: Gerry Rodgers, ILO International Institute for Labour Studies**

*Gerry Rodgers is Director of the International Institute for Labour Studies, Geneva. Prior to this position he was Director of the Policy Integration Department of the International Labour Office, which carries out research and policy development on integrated approaches to work and employment. At the ILO he has been responsible for policy development on the decent work agenda in the Director-General's Office; was Technical Director of the Secretariat for the World Commission on the Social Dimension of Globalization; directed the ILO's Multi-disciplinary Technical Team for the Southern Cone of Latin America for several years; and has directed programmes of research and action on training systems, on labour markets and labour institutions and on population issues. His publications include work on poverty, inequality, social exclusion, employment, labour markets, child labour, population growth and economic development, including empirical work in South and Southeast Asia, in Latin America and in Europe.*



### 3. Environment in the International Trade Agenda: Implications for Development and Employment

The contradictions between international trade, environment and sustainable development agenda have caused developing countries to view environment in the international trade with much sensitivity at the multilateral, regional and bilateral level. This is because environment text in trade agreements like the Doha Declaration and Free Trade Agreements are perceived to work against developing countries because environmental measures imposed may restrict market access, be disguised as non-tariff trade barriers and promote protectionism by the North.

The North seen as the *demandeurs* of bringing *environment* into the multilateral trade and bilateral trade negotiations see this as positive in that it will encourage higher environmental standards, improve eco-efficiency in production process, transfer of cleaner technologies and increase competitiveness. However the South argues that they are targets for potential trade restrictions based on external environmental standards and opening up their environmental goods and services may subject them to dumped products and import surges.

The paper will express a view that an environment focus in the international trade agenda in the current global economic context may pose *more harm than good* for developing countries and least developed countries (LDCs) in terms of development and employment. This view is substantiated by assessing the rationale, the current debates and negotiations on trade and environment in the Doha Declaration with specific reference to trade in environmental goods and services. The paper explains challenges of trade liberalisation in environmental goods and services for developing countries in terms the costs arising from structural change fall on the poor (for example the impact of privatisation of water, waste and power utilities) and, crowding out of infant industries, local production and technology. The paper concludes with suggestions for negotiating approaches that guarantees developing countries flexibility and policy space and strengthen the of the UN as the multilateral institution to address trade and environment matters.

**Author: Michelle Pressend, Institute for Global Dialogue, Senior Researcher Multilateral Programme**

*Michelle Pressend is a Senior Researcher in the Multilateral Programme at the Institute for Global Dialogue (IGD). Her policy research and analysis interest is on the UN, WTO and Bretton Woods Institutions with a particular focus on Trade and Environment, Multilateral Environment Agreements and Social Movements and Global Governance. She also co-ordinates the Trade Strategy Group, hosted by IGD. She has Masters in Conservation Biology from the University of Cape Town.*

*Previously she worked at the Department of Environmental Affairs and Tourism (DEAT) as the Deputy Director: Sustainable Development Policy & Research where her responsibilities included South Africa's response strategy to the World Summit on Sustainable Development (WSSD) and coordination of the UN Commission for Sustainable Development reports, policy research and strategy for relevant multi-lateral meetings. She was also responsible for trade and environment negotiations.*

*Prior to DEAT she worked at Group for Environment Monitoring (GEM) in Johannesburg as a Project Co-ordinator in the Environmental Policy Initiative Programme and at the Environmental Monitoring Group (EMG) in Cape Town in the Industry and Environment Programme.*





*Day Two*



## 1. Presentation by Dot Keet, Centre for Southern African Studies at the University of the Western Cape, South Africa

*Dot Keet is a Senior Fellow at the Centre for Southern African Studies at the University of the Western Cape, South Africa, Dot Keet works also with a variety of NGOs and trade unions and is on the board of the Alternative Information and Development Centre in Cape Town. Keet works in the Transnational Institute regionalisms project focusing on alternatives to the WTO. Born in Zimbabwe she spent years working in several southern Africa countries and was involved in the liberation movements of Angola and Mozambique, which led to a move to Europe in the 1980s, where she worked for the Mozambique Information Service. She returned in 1990 and worked for the South African Labour Bulletin and the ANC/COSATU Macro-Economic Research Group (MERG) until moving to her current position.*

## 2. Trade does not trump employment development strategies

The essential argument of the presentation is that the current ideological basis of the so-called Doha Development Round of the WTO is antithetical to the interests of developing countries, especially of their ability to sustain a development agenda and an employment agenda that respect national sovereignty and national policy space. It notes the growing evidence that the Round's proponents have misrepresented the gains that developing countries will make, even more so for their workers and peasants. It looks at the current status of the negotiations in agriculture, NAMA and services and suggests that developing country governments should not make further commitments until they are satisfied that their long-term sustainable development interests will be served. The paper does not advocate a rejection of international or even globalised trade but, rather, argues that developing countries should exploit trade deals outside of the WTO framework. Further, it argues that unions in these countries especially but in developed countries as well, should develop industrial and employment strategic plans that enable them to take a considered position on how and when and whether to liberalise trade in any sectors. It also notes the hypocrisy of Northern trade protagonists in advocating to the South policies that may or may not work and that the North itself did not follow in their own development.

### **Presenter: Mike Waghorne, Assistant General Secretary, Public Services International**

*Mike Waghorne is currently the Assistant General Secretary of Public Services International (PSI), the international federation for 20 million members in 601 public sector trade unions from 146 countries for whom he started work in 1989. In this capacity, he is responsible for much of PSI's policy development work, especially in the matrix of issues surrounding: the role of the state; public sector reform and modernisation; structural adjustment; privatisation, contracting out and related issues; health services; regulatory reform; (new) public management; etc. He is also responsible for managing the work that PSI does and the relationships that PSI has with/at the World Bank, the IMF, the OECD and the WTO (as well as at UN bodies such as UNCTAD and the WHO). Much of this work covers the issues noted above and some of this is done in conjunction with other organisations in the international trade union movement such as the International Confederation of Free Trade Unions, the Trade Union Advisory Committee (TUAC) to the OECD and global union federations for other sectors. It also involves working with a range of relevant NGOs who work on trade issues and alternatives to the current models of globalisation. Within PSI, Mike has responsibility for the planning and processing of PSI's main constitutional bodies, including the writing of many of the policy papers. Prior to working at PSI, Mike held a number of research and education positions from 1984 to 1989 within the New Zealand Public Service Association, the main public sector trade union in that country. In that capacity he was also seconded to implement PSI's education programme for small trade unions in seven South Pacific countries.*

*Other work Mike has been engaged on has included: research and advocacy for the New Zealand University Students' Association - 1979 - 84; work in health services research - 1976 - 79; teaching in the New Zealand education system - 1963 - 76.*









## 1. The Effects of Trade Liberalization on the Labour Standards in Iran

Since early 1980s, in consequence of debt crisis, developing countries have faced mounting pressure from the international institutions, to ease market regulations and create "flexible" working conditions, to reduce the production costs for being able to attend in the competitive international markets. So the solution of the poor economic performance and unemployment problem is considered to be de-institutionalization of the labour markets by reducing social security arrangements, by neutralizing the effects of social legislation and labour law and by restraining as much as possible the power of workers' associations.

Structural adjustment programmes has had deep effects on Iran's labor market. Iran's labor laws have been amended. Workshops with less than five employees were excluded from the labor code. Short term contract for 1 to 3 months has become the most common form of employment in public and private enterprises. Due to the World Bank study (2006) the process of firing workers in Iran is much easier than many other Middle East countries.

Rapid growth of the labour supply by one hand and the increased capital mobility combined with an accelerated pace of technological change by the other, have posed serious challenges for Iranian work force. Alarming bankruptcies of inefficient public and private firms, since Mid 1990s, have had their share of the increased unemployment that has weakened the labour standards in Iran. Employees of small and medium size enterprises as well as workers in the large public and private firms are getting out of the scope of the labour laws. A significant presence of informal employment is visible across all economic sectors. Important part of the Iranian labour laws, which insist on job security, social insurance and minimum wage is increasingly ignored by employers; and the Ministry of Labour and Social Affairs do not control severely the violation of the labour law.

In this paper the changes of economic growth, changes in production and employment in different economic sectors, as well as changes in labour law and the process of labour market informalization and its economic and social outcomes in the past two decades are studied. This research shows that de-institutionalization of the labour market has not been successful enough to accelerate labour-intensive non-oil exports in Iran. and it discusses how the Iranian government should adopt sound policies to minimize the costs and maximize the benefits of the workforce in the era of globalization.

**Author: Zahra Karimi, Assistant Prof. University of Mazandaran, Dept. of Economics, Iran**

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## 2. Mobilisation and Organisation of ITES-BPO Sector Labour in India: Status, Constraints and Emerging Trends

The essay focuses on the mobilisation and organizational aspects of the workforce in the business process outsourcing sector of India and discusses the emerging concerns and challenges. An attempt is made in the essay to delineate and discuss some of the crucial aspects /factors that are identified, so far, as barriers to unionisation in the sector. Through this exercise, which is carried out with the help of available empirical insights, the present scenario of worker mobilization in the sector is contextualized. Subsequently, efforts are also made to trace some of the emerging trends in the quality and nature of the workforce in the sector, approaches/policies in the industry and the changing attitudes of key stakeholders and so on, which cumulatively indicate a more promising scenario for worker mobilisation in the near future. The other aspects that are discussed in the essay include the unique characteristics of the workforce and the shortcomings of conventional organising strategies of trade unions and so on, which are closely linked to the existing dismal scenario of worker mobilisation in the sector.

### **Author: Babu P. Remesh, Associate Fellow, V.V. Giri National Labour Institute**

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### 3. International Workers' Rights and Competitiveness

Core workers' rights are violated on a massive scale world wide. Most violations take place in production for domestic consumption; nevertheless, about 10 percent of products traded internationally originate from countries that repress workers' rights systematically. If standards are as beneficial as some claim, why are they not voluntarily adopted? Some of the motives for not signing on to the ILO conventions are political. There are also economic reasons. While the "high road" promises long-term benefits, it may incur short-term costs. While attempts to assess the cost impact of adherence to ILO conventions have not delivered reliable results thus far, even small differences in production costs can be expected to be decisive for market success. Most export goods from developing countries are sold to wholesalers or transnational corporations, which command a strong market position vis-à-vis the producers. This competitive situation, however, is the very reason why social standards have to be negotiated internationally. As long as it is possible for an economic region to gain competitive advantage by undercutting the social standards in other regions, these other regions are in danger of losing market share and hence employment opportunities. The greater the similarity between the competing regions with regard to factor endowment and market position, the more acute is this danger. It will be particularly high if market success depends on a single factor, namely low-skilled labor. In such a case, the danger from lower standards cannot be offset by other factors. This situation is particularly true of developing countries, which face the constant risk that new regions with an even larger reservoir of cheap labor will break into the world market. For these reasons, developing countries cannot raise their social standards in isolation but only in conjunction with other countries by multilateral agreement. There is no need to fear a decline in the overall demand for goods from the developing countries, as their long-term growth depends primarily on the training level of their workers and on transfers of technology. International standards can therefore plausibly be justified in terms of development theory.

**Author: Christoph Scherrer, University of Kassel, Germany**

*Christoph Scherrer has an M.A. in economics and doctoral-level degrees in political science from Frankfurt University and the Free University Berlin. He is currently professor for Globalization and Politics and dean of the department of social sciences at the University of Kassel. He is a member of the steering committee of the Global Labour University. He has held the position of Kennedy-Memorial Fellow at Harvard University. His recent book publications include: *Surviving Globalization? Perspectives for the German Economic Model*, edited together with S. Beck and F. Klobes (Berlin 2005); *Globalisierung gestalten. Weltökonomie und soziale Standards*, [with T. Greven] (Bonn 2005); *GATS: Zu wessen Diensten? (GATS – In whose Service?)* [with T. Fritz] (Hamburg 2002); *Nach der New Economy: Perspektiven der deutschen Wirtschaft*, (*Beyond the New Economy: Perspectives for the German Economy*) [with S. Beck, and G. Caglar] (Münster 2002); *Global Rules for Trade: Codes of Conduct, Social Labeling, and Workers' Rights Clauses* [with T. Greven] (Münster 2001).*

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## 1. NAMA negotiations, policy implications and trade union strategies

The Doha development agenda, the current WTO negotiating round, includes a framework for negotiations to reduce tariffs on non-agricultural products, the so-called NAMA negotiations. The current basis of this framework as well as proposals made for modalities would have serious impacts on developing countries' current industrial employment as well as on possibilities to develop industries in the future.

The paper will briefly explain the modalities proposed for tariff reductions under NAMA, and will assess the effects of a low coefficient, as proposed by developed countries, on the bound and applied tariffs of 14 developing countries, disaggregated per industrial sector.

Based on the outcomes of the simulations the paper will look at the policy implications of such tariff reductions, the importance of tariffs for industrial development, and will argue for the need of a differentiated approach in NAMA negotiations given the differences in tariff structure and industrial structure of the countries for which simulations have been undertaken. The argument will also be made for flexibilities to be expanded for developing countries to shield certain sensitive and labour intensive sectors now and in the future.

The second part of the paper will look at the different trade union reactions on the NAMA negotiations, whether these are characterised by an active engagement, opposition, or no engagement. Several strategies have been applied by a number of trade unions, including by the ICFTU, and the paper will analyse these strategies.

Based on these strategies, recommendations for trade union engagement are made that would enhance both the research and impact assessment capacities of trade unions as well as the strategic interventions at several levels by trade unions, in order to ensure an outcome of negotiations that does not undermine development prospects of developing countries.

**Author: Esther Busser, Trade Policy Officer, ICFTU.**

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## 2. Differential Impacts of Tariff Reduction Commitment of Developed and Developing Countries: Results of a Product by Product Simulation Using the Swiss Formula

The Trade Ministers and Negotiators who met at Doha in 2001 to begin a new round of trade negotiations were carried away by an unusual political enthusiasm to the point that they christened what appears to be a traditional trade round as a 'Development Round'. Consequently, the Doha Ministerial Declaration on NAMA sought the most ambitious liberalisation ever of industrial markets in the history of trade negotiations. The Doha round lost complete touch with both historical and current realities by attempting a radical reduction or, as appropriate, elimination of industrial tariffs while at the same time safeguarding the needs and interests of developing countries (with no differentiation) through what it called "less than full reciprocity in tariff reduction commitments". The history of industrialisation in both the early and late industrialisers eloquently illustrates the special role played by tariffs and other protective trade policy instrument in the development process and makes the attempt to dismantle tariffs both dangerous and unwarranted. Unable or unwilling to deliver the concessions made at Doha, the developed countries have managed to recast the round into a market access round where developing countries are being pressurized to cut their tariff levels proportionately more than developed countries, thus defeating the principle of "less than full reciprocity".

This paper makes a quick historical detour to establish how crucial tariffs were in the industrialisation process of the presently developed countries. The paper uses tariff simulations to highlight the duplicity of the current NAMA modality in terms of how it delivers development and safeguard the needs and interests of developing countries. The paper also makes a robust case for the use of tariff and other trade policy instruments that were instrumental in the industrialisation drive of the developed countries.

### **Author: Ishaque Otoo, Researcher, Policy & Research Department, Ghana Trades Union Congress**

*Ishaque Otoo works with the Policy & Research Department of Ghana Trades Union Congress as a Researcher. He had his first degree from the University of Cape Coast in 2002 where he graduated with a Bachelor of Arts in Economics. He then enrolled at the University of Ghana in 2003 to pursue a Master of Philosophy Degree also in Economics. He is a professional teacher. He was appointed as a Teaching Assistant by the Department of Economics, University Cape Coast in 2002. Mr. Ishaque is a member of the West Africa Trade Union Monitoring Group on Trade. His research interests centre on Trade, Labour, Economic Growth and Poverty.*

*His publications include: Africa, the WTO and the Bretton Woods Institutions: Growth and Poverty Reduction: A Necessity or a Diversion?; Earnings in the Private Formal and Informal Economies in Ghana*

*Mr. Ishaque Otoo has also attended several short courses and conferences. Among them are:*

*The WTO public forum in Geneva in September 2006; "Implications of NAMA and GATS for Decent Work", organized by the International Confederation of Free Trade Unions in September 2006, Geneva; Putting employment at the centre of public investments and poverty reduction processes at the ILO Training Centre, Turin, Italy; and, "Developing a Joint Trade Union and Private Sector Position Paper on the Economic Partnership Agreement", organized by FES in December 2006, Dakar (Senegal).*

### 3. The Doha Round WTO Negotiations and Its Impacts on Employment in the Agricultural, Industrial and Service Sectors: The Brazilian Case

The aim of this paper is to discuss from a critical perspective the risks faced by the Brazilian labour market due to a second opening of the country's economy in the aftermath of the Doha Round, if the same agenda is pursued when the negotiations resume. Even though some sectors of Brazilian academia and from civil society argue that we should give away protection in services and industry in order to have access to markets in agriculture, the results in terms of net jobs, level of income and quality of labour market would be profoundly negative, as we try to demonstrate in this paper. The structure of the paper is presented below.

At first, an effort is made to describe the main idea behind Lula's government position of prioritizing WTO negotiations. We discuss in which manner it represents a departure from the preceding government's approach. In this section, we tackle also on the issue of how the actual government is influenced by different interest groups inside the country. Secondly, the paper will stress the outcomes in terms of level and quality of employment in agricultural, industrial and service sectors during first economic opening "wave" faced by Brazil in the nineties. Finally, the quantitative impacts – as well as the qualitative ones – of a possible second wave of liberalization and economic opening will be emphasized.

Concerning the methodology, in the first part of the paper, the main idea is to understand the rationale of Brazilian position on WTO negotiations, especially the creation of the G-20, and how it is a result of a complex reconciling of different economic and social actors views within the country. It is very narrow-minded the current view that Brazil is only voicing the interests of agricultural sectors.

We also try to show, using several sources of Brazilian labour data, the main impacts on the level of employment and its quality – taking into account the informality rate and the income levels – in the economic sectors of Brazilian economy during the nineties. For accomplishing this objective, the phases and the pace of economic opening will be described. Moreover, we stress the importance of macroeconomic variables for shaping the labour market outcomes.

At the end, we seek to foresee the possible negative outcomes – in case the Doha Round doesn't get to change its priorities and the present structure of power - for the Brazilian labour market. We concentrate the analysis in the total loss or gain of net jobs in each of the three sectors, also considering the impacts in terms of informality and income level and – in the case of agriculture – the space left to small landowners and family entrepreneurs, which depend mainly on the internal market.

#### **Author: Alexandre de Freitas Barbosa, Instituto Observatório Social, Brazil**

*Alexandre de Freitas Barbosa is a researcher at the Observatório Social Institute, an NGO belonging to CUT, the main labor union in Brazil. He has a Ph.D in Economics from the University of Campinas (UNICAMP) and a master's degree in Economic History from the University of São Paulo (USP). He worked in the 1990's as an economic advisor to CUT for labor and international issues and from 2001 to 2003 as coordinator of the São Paulo City Hall Secretariat for International Relations. This paper doesn't reflect neither Observatorio Social Institute nor CUT's ideas. However, it benefits from research undertaken at Observatorio, which somewhat contributed to shape CUT's position at WTO, especially on NAMA negotiations. This paper was translated by Jeffrey Hoff.*





## 1. A critical analysis of operational requirement dismissal as governed by the South African Labour Relations Act (LRA) in the context of Neo-liberal Global Pressure

With increased globalization competition between states for investment from multinational corporations has led to a race to the bottom in labour standards. Employee rights are often sacrificed as a convenient commodity in cost reduction. However in South Africa with the adoption of a new democracy in 1994 the protection of labour standards remained a main concern especially since the new government included not only the ANC, but also the Communist Party and COSATU who prioritize labour interest. To guarantee labour rights the drafters of the 1995 Labour Relations Act modelled the Act on ILO standards. The Act provided trade unions with both collective and individual labour rights. It was no longer easy to dismiss or discriminate against employees as it was prior to 1994. The euphoria of the new LRA was however short lived. Shortly after its adoption global pressure began to influence the South African economy. In order to compete in the global economy South African business including the state had to reduce costs. Privatisation and rationalization of the workforce were common. Employees were left vulnerable to the whims of the Global market. The courts, who are often the bastions of democracy and protectors of Human Rights, did not provide employees with any significant protection. The LRA allowed employers to dismiss employees for operational reasons. Operational reasons are defined broadly in the LRA to enable the employer to dismiss employees for a wide range of grounds including economic reasons, technological introductions and restructuring. Courts were often reluctant to protect employees who were dismissed for operational reasons. For example in *Mamabolo & others v Manchu Consulting CC* (1999) 6 BLLR 562(LC). Van Niekerk AJ felt that it was not the function of the court to second guess the employer's decision to retrench. Again in *Benjamin & others v Plessey Tellumat SA Ltd* 1998) 19 ILJ 595 (LC) the court refused to declare a dismissal on the grounds of financial difficulties unfair even though the financial difficulties were the result of mismanagement on the part of the employer.

Because of the courts failure to provide employees with any significant protection the Labour Relations Act was amended in 2002. The 2002 amendments divided the South African economy into large and small business with large business usually employing over 50 employees and dismissing more than 10 employees. When it comes to large scale operational requirement dismissal the 2002 amendments provided employees with a choice. They could either refer a dispute challenging the substantive fairness of the dismissal to court or strike. By allowing employees to strike the LRA gave employees a means to influence the outcome of their own disputes pertaining to operational requirement dismissals. This choice was however not given to employees subjected to small scale operational requirement dismissals. These employees can only refer disputes challenging substantive reasons to court. They cannot strike. They thus still remain vulnerable to court decisions, where judges are reluctant to provide them with any real protection. Further amendments to the Labour Relations Act are needed in order to ensure that fundamental rights of employees are protected, especially in a climate of extreme global economic pressure.

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*Alli Chicktay (BProc LLB LLM) is a lecturer at the University of the Witwatersrand Law Faculty. Since 1999, he has also served as an advocate in the Johannesburg High Court. In addition to his lecturing Alli currently does work as a mediator and arbitrator for the South African Commission for Conciliation, Mediation and Arbitration (CCMA) and TOKISO. In addition to his full time post as a law lecturer at Wits University Alli has provided lectures at a number of institution. In 2002 Alli lectured a comparative constitutional law course at the University of Rwanda. He has also lectured diplomats of the South African Department of Foreign Affairs on international labour standards. In August 2006 Alli presented a mediation training workshop to legal professionals at the International Law Institute in Uganda. Alli has made presentations in a number of international conferences including the Hope Conference in Mumbai, India: The Right to Strike Conference in Keele University, England and most recently in 2006, the Annual labour Convention in Johannesburg, South Africa. In June 2002 Alli left for a sabbatical year at Harvard Law School. He concentrated primarily on industrial relations and dispute resolution, completing the Harvard Trade Union Program, the Harvard Mediation Program and the Harvard Program on Negotiation. While in the US, Alli also worked as a mediator at Quincy Court in Boston. Allis main areas of interest are Labour Law and negotiation, mediation and arbitration. He specializes in these fields both as an academic and practitioner.*

## 2. Core Labour Standards and Development: Impact on long-term income

This paper focuses on the link between labor standards and long-term per-capita income. A better respect of core labor standards may have important consequences, positive or negative, on determinants of long-term income. Moreover, opponents of a social clause into the WTO argue that weak labor standards are a condition for the development of the poorest countries (thanks to their comparative advantage in non-skilled labor force). It is therefore doubly interesting to study the impact of core labor standards on long-term per-capita income.

The first goal of this paper is to build an index to measure the enforcement of the core labour standards recognized in the ILO declaration on Fundamental Principles and Rights at Work (1998). For that purpose, we build several indexes to measure child labor, freedom of association, discrimination and forced labor. We also take into consideration the number of ILO conventions ratified by each country.

The lack of data is a serious problem. We aggregate different sources of information to minimize this problem. Granger (2005), Ghai (2003), Kucera (2001) and more generally ILO 'Decent Work' Research Program are also working on this issue.

We want to measure the enforcement of all core labor standards and not the enforcement of each kind of these standards. For that, we aggregate our different indexes thanks to Multiple Correspondence Analysis (MCA) in order to determine endogenously the weight of each variable in the aggregated index.

The second goal of this paper is to determine the impact of these core labor standards on long-term per-capita income. We use a "Mankiw, Romer and Weil (1992) model augmented by labour standards. Our goal is to estimate the long-term effects of a better enforcement of these standards: we estimate the long-term steady-states of different countries. We propose an estimation of the steady-state per-capita income for a large panel of countries (104) and then only for developing countries. We use the Two-Stage Least Square Method to correct for potential problems of endogeneity. We find that countries with higher labor standards have a higher steady-state level, all things being equal.

### **Author: Rémi Bazillier, University of Paris**

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### 3. Core labour standards and their impact on trade and development in Botswana

This paper will address the issue of core labour standards and their impact, positive or negative in relation to trade and socio-economic development. It will critically address the social and economic arguments around respect for core labour standards. The implications of this debate on social standards for Botswana will be addressed.

The main idea in this paper is that the International Labour Organisation (ILO) is the competent body to set and deal with internationally recognized core labour standards. Assuming that there is a correlation between labour standards and trade, what role should the ILO play in promoting those standards? What are the experiences of trade unions (labour) regarding these standards and their preferences. It will be argued in the paper that respect for these standards provides a basic framework for stable industrial relations, which in turn will lead to social justice and peace.

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#### 4. Labour Standards and Social Equity: The Case of Ghana During Half a Century of Independence

In their quest to participate in the neo-liberal globalisation, many countries in Africa have, through the adoption and implementation of neo-liberal economic policies, undermined labour standards. Ghana is one of such countries. The importance of labour and labour standards was recognised by the Convention People's Party (CPP), led by Kwame Nkrumah, in the decade after independence from British colonial rule (i.e., 1957 to 1966). For instance, out of the 47 ILO Conventions Ghana has ratified since it joined the ILO in 1957, 34 or 72% of them were ratified between 1957 and 1966 by Nkrumah's CPP Government. The overthrow of Nkrumah marked the beginning of the end of socially-inclusive economic policies. Successive governments after Nkrumah have placed very little or no premium on labour standards. This was particularly so when Ghana adopted and implemented structural adjustment programme in the 1980s and 1990s. Since then, successive governments have either ignored labour standards or have not given them the attention they deserve.

Ghana's economy has been growing at the rate of 5% since the early 1990s. But this remarkable growth has been matched by increased informalisation of employment and increased income inequality in favour of a few highly-educated, urban-based males engaged in the formal economy, at the expense of women, low-skilled workers and other vulnerable groups in the Ghanaian society, particularly those who earn their living in the informal economy. The formal economy currently employs only 10% of the total workforce. The remaining 90% of the workforce is engaged in the informal economy where labour laws and the internationally-recognised core labour standards are not enforced. The implication is that the majority of workers in Ghana are not protected and the number is increasing due to the rapid rate at which employment is being informalised. The last two Ghana Living Standard Surveys showed that income inequality, as measured by the Gini Coefficient, increased from 0.48 in 1992 to 0.60 in 1999. Poverty is still widespread in Ghana despite the relatively high economic growth in the past two decades.

Thus, as a result of Ghana's quest to join the globalization game, the need for laws, regulations and institutional checks in the labour market has been played down. Instead, their perceived negative effects on labour costs and competitiveness are highlighted by employers and public authorities. Free trade agreements protect property rights, but not labour rights. Shareholders' interests tend to triumph over the interests of workers and consumers tend to be more important than the producers.

In this paper we seek to make social and economic case for the application of labour standards using Ghana as a case. The thrust of our argument is that growth without social protection is "uneconomic" and cannot eradicate poverty from society. Rather, such "uneconomic" growth will only create "enclaves" in the economy in favour of the privileged few in society. We argue against the neo-liberal view that application of labour standards hinders efficiency, productivity and growth and conclude that the enforcement of labour standards such as minimum wage legislation and laws and regulations against discrimination in employment and strict compliance with occupational health and safety rules and regulations in developing countries is one of the most effective means by which developing country governments can reduce the exploitation of workers by multinational corporations and local employers and reduce poverty. We argue for instance that, the elimination of employment discrimination can improve labour market opportunities for the disadvantaged and vulnerable groups such as women and the disabled. The result could be increased labour market participation and accelerated rate of poverty reduction. Also, freedom of association and collective bargaining can ensure a peaceful and harmonious industrial relations environment and thus promote increased investment, high productivity and ultimately, economic growth which is socially equitable. The paper will thus demonstrate that, labour standards have implications for social and economic development. Finally, a strong case is made for social partnership and social dialogue among trade unions and other civil society organisations, private sector employers, and government as an effective strategy for promoting labour standards and for communicating the social and economic benefits of a strict compliance with labour standards.

**Authors: Angela Dziedzom Akorsu, Centre for Dev Studies, Univ. of Cape Coast, Ghana & Dr. Anthony Yaw Baah, Ghana TU Congress**

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## 1. How do trade unions respond to and act in regional integration processes? A comparison between CUT in MERCOSUR and COSATU in SADC

The post-Fordist era characterized by the neoliberal model created huge challenges to the labour movement. Apart from the neoliberal policies such as deregulation, privatisation and casualisation, there was also an increase in regional integration processes. These processes emerged after the Second World War and a “second wave of regionalism” occurred in the Southern Africa and in the South Cone of the Americas, in the 80s and 90s respectively.

The main objective of this paper is to find out the responses and actions of CUT Brazil in MERCOSUR and COSATU in SADC. Trade unions have been interacting with regional integration processes and it is clear that there is a lack of academic research in this field, especially for the cases of countries in the South. On the one hand, it is a current topic and part of the debate of globalisation. On the other hand, it is necessary to analyze the actions and expectations of social actors in integration processes, especially trade unions which are usually important actors in national contexts. The main aim is to analyze how trade unions have been interacting with regional integration processes and it is based on the idea that labour must participate actively in order to promote an effective “developmental state” and/or region.

**Author: Clair Siobhan Ruppert, Advisor of the International Relations Secretary, CUT Brazil**

## **2. South African Investment in Southern Africa: Trade Union Responses in Zimbabwe, Namibia and South Africa**

This paper is the product of initial research that is ongoing at the Labour Research Service to understand the movement of capital in Southern Africa and the corresponding responses of working class organisations. This paper highlights the extent of South African investment in the region and the reasons for it, showing the grave implications of South African corporate expansion for the working class in the region. It argues that South African capital spurred on the movement towards a negotiated transition to end apartheid for securing its own long term interests in South Africa and through this, its interests in the region as a whole. In other words it did so not just for quick financial gain but for ensuring long term stability in the region for capital accumulation (capitalist exploitation). It therefore suggests that to ensure that cross-border investment generates benefits for workers and improves the socio-economic conditions in the region, trade unions and social justice organisations need to develop strategies and alliances to act as effective countervailing forces to South African capital which, in the process of expansion, is entrenching historical patterns of inequality and under-development in Southern Africa. Through interviews with trade unions in South Africa, Zimbabwe and Namibia, this paper highlights the ambiguous attitude that trade unions have towards South African capital – South African capital is welcomed as a source of jobs but there are concerns of how exploitative it can be. The interviews also show how unprepared trade unions are at present to confront the broader implications of South African corporate expansion. Recommendations, distilled from interviews with trade unionists, on how to overcome this status quo are provided in the last section.

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### 3. Investment Agreements: Trade Union Response and Strategies

Over the last 40 years, about 5,500 International Investment Agreements have been signed by and among developed countries as well as with developing countries. Of that number 2,500 are Bilateral Investment Treaties (BITs), used as instruments for promoting foreign investment.

Although there is an ongoing debate on the real influence of BITs to attract greater foreign investment flows, it is true that these agreements contain provisions that strengthen the rights of foreign investors in the countries involved. Most of them are North-South agreements which set investment rules that jeopardise the sustainable development of developing countries by “banning” the establishment of performance requirements and not including environmental or socio-labour standards. One major provision has to do with the implementation of an arbitration mechanism for the settlement of State-Investor disputes, which enables multinational companies to file claims against States before an international court in the face of changes in the regulatory framework which they perceive as detrimental to the commitments undertaken by them in the BIT. Dispute settlement is often a secret and not very transparent process.

Trade union organisations have analysed these policies and concluded that, just like in the field of trade and migration, priority should be given to establishing effective and appropriate multilateral frameworks for achieving sustainable development. In the mid '90s, the labour movement and other civil society actors stood up against the approval of the Multilateral Investment Agreement (MIA) at the OECD, demanding additional guarantees, such as its linkage to the OECD Guidelines on Multinational Enterprises and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises. More recently, trade unions have closely followed the GATS (Mode 3) negotiations as well as the debate on a new regulatory framework for international investment within the OECD. They have also watched bilateral negotiations and the resulting FTAs and BITs, paying special attention to the binding commitments undertaken by countries in the chapters on investment and services. This trend has been observed not only in North-South agreements but also in South-South agreements.

The paper will analyse the growth and characteristics of investment provisions and investment agreements and their impact on sustainable development. This will be followed by a description and analysis of the experiences and strategies of trade unions in relation to investment agreements. The paper will conclude with proposals for possible alternatives to investment agreements and/or alternative provisions in trade and investment agreements aimed at sustainable development.

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#### 4. The Role of Trade Unions Redefined in the Era of Liberalization

During the earlier stages of industrialization, a movement was started towards unity of workers, culminating in the emergence of trade unions (Virmani:2000:2). It had a snowball effect during the post-war period and established itself as a partner of social cohesion (Jose: 2000:33). Each decade transformed the movement but liberalization has created challenges. How to build the capacity of this movement in developing countries where it is challenged with decline in membership and marginalized by trade liberalization? I would like to look into the case of India and develop proposals accordingly.

This paper will traverse through the Indian situation before and after liberalization and analyze all factors that are responsible for the existence of this movement, considering the strength and weakness in the face of globalization. Finally, it will look into the component of social dialogue under the framework of "Decent Work" - agenda of International Labour organization and provide suggestions for the unions to revitalize as partners of social development.

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