

Building the social dimension of globalisation

Globalisation, with its economic liberalisation, deregulation and privatisation, has divided the world. It has split the world into the rich countries with highly developed and competitive economies on one hand, and poor countries with weak and uncompetitive economies, on the other.

Developing countries are struggling to build the required economic capacities to enjoy any benefits from the international trading system. As a result, only the rich countries of the North benefit from global trade.

In trying to compete successfully, many developing countries use every negative type of competitive advantage to win access to world markets and foreign direct investments. This includes competition between developing countries by offering the lowest labour and environmental standards as forms of investment incentives.

When looking at world trade, many people and organisations do not look at the social dimension of globalisation. This is a way of approaching globalisation so that the situation of poor societies is addressed.

The International Confederation of Free Trade Unions (ICFTU), the umbrella body of independent trade unions throughout the world, calls for the respect of core labour standards as a component of the social dimension of globalisation. It argues

Bethuel Maserumule outlines the ICFTU's campaign to link labour standards to trade.

that this should be done to promote justice, equity and fairness in the world trade system. To this effect, the ICFTU want a provision within the WTO rules for member countries to respect core labour standards. These include:

- ☐ the right to freedom of association;
- ☐ the right to collective bargaining;
- ☐ elimination of discrimination;
- ☐ ending the use of child and forced labour.

These core labour rights are meant to enable workers to develop the means to negotiate their conditions of life and work, and to participate in decisions that affect their future.

The ICFTU argues that these rights are therefore protective – they protect children, women and workers in general, from exploitation. The rights form the basis for fair trade, which is a condition for the survival of free trade.

The unions argue that violation of workers' rights should be regarded as an illegal subsidy and an unfair trade practice, whose resolution should be a WTO competence. Therefore when a country violates the labour rights and refuses to correct such violation, the WTO should

determine an appropriate trade response, which should be multilateral

A comprehensive approach

The ICFTU acknowledges that to fully address the economic situation of the developing countries, you need to go beyond labour standards

The labour movement accepts the need to work together with other organisations within civil society to address the severe economic and social problems facing poor people and poor countries. This includes addressing issues such as Third World debt, environmental and human rights concerns, poverty, gender, and food security.

To further address the needs and concerns of developing countries, the ICFTU is calling for:

- ❑ fair trade and treatment for developing countries within the international trade system,
- ❑ multilateral discussions, with union involvement, of international instruments to outline rights and responsibilities of transnational corporations. At the same time, the ICFTU, the International Trade Secretariats and their affiliates, will continue to engage transnational companies and international industry federations on corporate codes of conduct built on the respect for core labour standards;
- ❑ the inclusion of a development clause in future agreements on investment: the unions fear that a government's equal treatment of foreign and domestic investors will expose weak indigenous enterprises to the full force of competition with strong global companies. The unions want developing country governments to retain the ability to support domestic enterprises and formulate national industrial

strategies that will promote economic and social development.

Strategies for the campaign

The campaign is centred on a systematically organised and co-ordinated strategy of lobbying, networking and winning public support for linking trade and labour standards. The lobbying programme includes the following:

- ❑ lobbying governments, especially trade ministers from the WTO member countries;
- ❑ lobbying within regional economic and trade blocs. This includes lobbying regional blocs like the EU, OECD, SADC, ASEAN, etc,
- ❑ lobbying multilateral institutions like the WTO itself, UNCTAD, World Bank and the IMF.

The ICFTU will also seek alliances with civil society organisations to broaden the agenda into a comprehensive package of demands for a social dimension of global trade. The unions will seek co-operation with women's groups, consumer, environmental and other NGOs around WTO issues.

The ICFTU made a call for a social clause some time ago. However, the recent campaign to incorporate workers' rights into the international trade and investment system gained prominence around the first WTO ministerial meeting in Singapore in 1996. Debate was heavy and many countries opposed the suggestion. Delegates adopted a declaration that called for the respect of core labour standards, but pointed to the ILO as the appropriate institution to pursue these rights. The declaration called for closer co-operation between the ILO and the WTO.

The ICFTU continued to press for the linkage between workers' rights and trade at the second ministerial meeting in Geneva in 1998. By this time a new alignment of forces emerged. This created

The Social Clause involves the inclusion of minimum labour and environmental standards in international trade agreements. It provides for trade sanctions against countries that violate the standards.

a shift from the earlier situation where countries were polarised into the supportive North (with few developing countries like South Africa) and a hostile South (which grouped together most of the third world countries). A significant number of developing countries either supported the union demand or became or remained neutral.

Trade unions' interventions helped change some country's attitudes. The cracks in the global system that were exposed by the recent international economic crisis also helped

Third WTO ministerial conference

The ICFTU has identified the next step in the campaign for the inclusion of core labour standards in the rules of the WTO. It wants to elaborate on its proposals in the next trade round of meetings. It also suggests that WTO delegates establish a working group. Its purpose would be to examine the relationship between core labour standards and trade.

There is basis for hope and optimism in the campaign. The recent economic and financial crisis that sent shock waves throughout the global system has led to a call for a new way of organising the international economy. The search for a new trade and investment regime that will bring about social and economic development creates an opportunity for people to positively consider the unions' demands.

In its preparations for the third ministerial meeting, the ICFTU is leaving nothing to chance. The affiliates and

regional structures have been given tasks and time-frames for lobbying and winning support for the workers' rights clause. The ICFTU head office is developing a database that will record the lobbying activities of regions and affiliates, governments' responses and the positions of various NGOs.

Assessment

The ICFTU's resolve to lead such an enormous campaign is a positive and praiseworthy development. It will boost efforts to achieve international worker unity and solidarity – something that will stand the unions in good stead regardless of the outcome of the WTO meeting.

A lot of work still needs to be done to deal with the fiercest opponents (like Brazil and India) as well as the genuine fears, distortions and misconceptions about the union demands, that continue to do rounds.

What is of concern is that the campaign remains a largely leadership-driven affair. There is less, if any, sense of mass rank-and-file involvement in the campaign. Surely some modest confidence-building activities that bring the rank and file on board (like rallies, marches and demonstrations), could make a difference. Also, conspicuous by its absence from union demands is the issue of restructuring the WTO into a tripartite body that will bring in employers and trade unions for global social dialogue. It would have been expected that the occasion of the campaign and the suggested reforms of the global system would provide opportune time to raise the demand for restructuring the WTO. ★

Bethuel Maserumule works on the trade union programme at the FES South Africa office and is a member of the Bulletin editorial board. He wrote this article in his personal capacity.