
TUC submission to DFID
White paper consultation
May 2009

Just transformation: for jobs, justice, climate

The TUC appreciates this opportunity to contribute to the consultation on the forthcoming White Paper on Eliminating World Poverty and put forward our views informed not only by our 59 affiliated unions and their 6.5 million members, but also by the experiences of the international trade union family representing some 168 million trade unionists in 155 countries and territories across the globe.

The TUC welcomes the improvements in DFID's relations with trade unions and the TUC itself as partners in development since the previous White Paper, and the developments in DFID's policies on growth, decent work and climate change. We would like to see relationships grow stronger still – this submission stresses the need for that engagement to be at international level, in the UK, and in developing countries.

The TUC plays a major role in the development community in the UK, and helped lead the recent *Put People First* march for *Jobs, Justice, Climate* ahead of the London Summit. We see these issues as integrated rather than separate – and we believe DFID needs to take the same approach.

Preamble

This saying is well known. 'Give someone a fish, you keep them alive for a day. Teach that person to fish and you keep them alive for life.' But trade unionists are aware that fishing is a dangerous, back-breaking job and that there is more to life than subsistence. Trade unions recruit, organise and represent those fishing workers, and enable them, through their own self-organisation, to secure safety at work, weekends off, pensions at the end of their working lives, and the better wages that allow them to pay the taxes that provide education, health services and unemployment insurance.

The TUC's vision is of a Department for International Development that is transformative: a development department, not merely an aid agency. That makes it vitally important to maintain a separate Department, and to ensure that DFID has sufficient resources to carry out its work rather than face continuing reductions in funding for staff.

Trade unions - domestically, in developing countries and globally - are committed to the same vision of transformation. But Governments cannot do that job on their own. They need to engage the people in the transformation and assist those adversely affected – especially through social protection and strong, quality public services. We want DFID to develop truly transformative approaches to poverty, illness, climate change and inequality, and we want DFID to recognise the positive role that unions – as self-organisations of working men and women in every sector and every country - play in supporting and promoting those transformations and in ensuring that where people are disadvantaged by change, they are protected.

To create the sort of society we want – where people are equal and empowered, where economies are prosperous and sustainable – will require significant change, as well as higher volumes of aid. The economies of the global south need to be able to trade and grow, free from the corruption and dictatorship which as well as being morally wrong are disastrous economically and environmentally. The freedoms set out in the core labour standards of the International Labour Organisation (freedom from child and forced labour, freedom from discrimination, and freedom to join a union and bargain collectively) and the other pillars of the Decent Work strategy (more jobs, social protection and social dialogue) are vital to sustainable and democratic growth, and can have a transformative effect. But in addition to DFID's own policies, we want to see DFID engaging more effectively with those partners who are able to assist in transformation, such as trade unions.

- ***We want to see DFID engaged in transformative change based on social justice – just transformation.***

The global and economic crisis: jobs and justice

The TUC recognizes the gravity of the current economic downturn caused by the financial crisis. The steep decline in commodity prices and rapid fluctuations in oil prices which preceded it have added to the concerns of developing nations already in difficulty while the decline in world trade reflects the cumulative effect of a number of unfavourable trends in the major economies. The channels of transmission are evident with the impact on developing countries being felt mainly through trade, remittances, foreign direct investment and official development assistance. The financial constraints and the economic downturn will combine to impose serious restrictions on economic growth, vital public services and social protection measures. We welcome the DFID focus on health, education, water and sanitation in developing countries and would like it to extend further support to the governments maintain vital public services.

The global financial and economic crisis is creating poverty north and south, and many of the solutions are the same. DFID's objective should be to create and create the conditions for green and equitable growth, based on skilled, regular

employment rather than subsistence or unskilled informal sector jobs, providing working people with security and governments with sustainable tax revenues.

First, there must be greater emphasis in the policies of bodies such as DFID and the international financial institutions on jobs. To be sustainable economically and environmentally, people need Decent Work, as set out by the ILO in its Declaration on Social Justice for a Fair Globalisation (2008). Growth strategies must be based on added value rather than subsistence and should aim to create sustainable, regular employment.

- ***The TUC calls on DFID to set an objective of assisting every developing country to create a Decent Work Country Programme, in consultation with the social partners, by 2012, and support the ILO's decent work programmes as well as the jobs pact called for by the London Summit in March 2009.***

Second, international financial institutions need to support counter-cyclical economic recovery plans – that requires that damaging economic conditionality needs to be removed from the global and in-country policies of the IMF and the World Bank.

- ***The TUC calls on DFID to make an explicit commitment to eradicating such conditionality so that developing countries can have more say in deciding their economic policies and can maintain and develop social protection strategies.***

Third, there must be a renewed impetus to promote world trade, but there needs to be a recognition that for trade to be free, it must also be fair and just. DFID must work with others to include more fairness and justice into the global trading system through a commitment not just to the completion of the current Doha Development Round, but to further trade reforms which include aid for trade; enforceable social and environmental clauses in future world and EU trade agreements; and the insertion of ethical and fair trade principles into global supply chains.

- ***The TUC calls on DFID to develop a new trade strategy that is based on free trade and trade justice, but also fair and ethical trade.***

And fourth, reaching the UN target for overseas development assistance of 0.7% of GNI remains crucial to meeting the Millennium Development Goals, but it is also vital that DFID assist in the expansion of remittances from migrant workers and Diaspora communities, which can dwarf aid amounts, and have a more sustainable character.

- ***The TUC calls on DFID to recommit to reaching the 0.7% of GNI target for ODA as part of a new strategy for funding overseas development, including the promotion of remittances, new sources of tax revenues for development, and imaginative use of IFI resources.***

Responding to climate change through just transition

People in developing countries must not be put in the position of having to choose between their livelihoods and the planet. DFID needs to play its part in the fight against climate change which threatens to 'make poverty permanent'.

Other parts of Government are negotiating the changes through the UNFCCC to move the world towards a low-to-no-carbon future, and implementing the measures in the UK and the EU that will be our contribution at home. DFID needs to address both adaptation and mitigation strategies, working with developing country governments, businesses, unions and people to assist people to cope with a radically changing climate, and to adopt the strategies that will lead the global south away from the high-carbon path to economic development which industrial and emerging economies have followed.

The trade union movement has worked with employers, UNEP and the ILO to develop recommendations for action set out in Green Jobs: Towards Decent Work in a Sustainable, Low-Carbon World. We want to see social dialogue between employers and unions at the heart of green development strategies. And unions should be helped to forge alliances environmental NGOs such as the 'blue-green' movement in the USA.

So the TUC calls on DFID to:

- ***ensure that all developing countries where DFID operates have a strategy for adapting and mitigating the effects of climate change, including the creation of green jobs;***
- ***ensure that those strategies are based on just transition, making dirty jobs greener, and creating new, green jobs to replace the jobs that disappear***

Turning combatants into citizens

Collapsing and failed states, and armed conflict are major causes of poverty, inequality, ill-health and human misery. But they are also the result of poverty and inequality – and will increasingly result from climate change due to high food prices, forced migration and economic restructuring. DFID needs to address the causes as well as the outcomes of conflict by creating jobs, and supporting institutions that can prevent or overcome division.

Trade unions teach people through experience that negotiation is preferable to conflict when allocating scarce resources (eg through wage bargaining), and we have a long track record of bringing communities together across racial or religious divides. For example in Kenya during decolonisation, the trade union movement was the only organisation that united every tribe, which gave them a key role; a similar role is played by trade unions in Iraq today – unions represent people at work regardless of religion, ethnicity or gender. In the Middle East, despite

enormous difficulties, the Israeli and Palestinian trade union movements work together to promote peace and economic growth (the Israeli trade union movement remits half of the subscription income paid by Palestinians working in Israel to the PGFTU, for example).

A key element of our role in conflict prevention and post-conflict reconstruction is the promotion of Decent Work: good jobs for local people and adequate social protection safety nets and access to quality public services. As a cautionary tale, in Timor-Leste, barely 5% of the USD\$1.75 billion spent by UN mission rebuilding the country from December 1999 to June 2004 stayed in the local economy. Of this, only 1.3 percent, was spent on local wages. Job creation was highly concentrated in the capital city, where they were mostly filled by nationals returning from the Diaspora. The resulting resentment, unemployment, inequality and rural deprivation drove the country's return to conflict in 2006, undoing years of development work.

The TUC calls upon DFID to

- ***develop Decent Work strategies (including jobs pledges, access to quality public services and social protection) into reconstruction packages for post-conflict states;***
- ***promote actively social dialogue and collective bargaining between employers and unions in failing and post-conflict states; and***
- ***support the work of trade unions in divided countries to integrate diverse communities and combat discrimination.***

Global responses to global problems

International institutions need to be reformed to tackle the challenge of just transformation. There needs to be a new global architecture of financial regulation (in particular addressing issues such as tax havens, vulture funds, and capital flows).

The international financial institutions must be reformed so that they are more open, more representative of the global south, and so that they do not apply damaging economic conditionalities or undermine trade union rights – but they also need to become more representative of people rather than Governments. The UN family needs to become more coherent, so that the policies of the WTO do not undermine the standards of the ILO, for example. But the UN also needs to retain and strengthen its engagement with civil society so that the One UN does not undermine the tripartite nature of the ILO, and develops new approaches such as the panel of experts proposed by the Commission of Experts of the President of the General Assembly on Reforms of the International Monetary and Financial System.

DFID too needs to adopt a more open and collaborative approach with international organisations such as the International Trade Union Confederation - which crucially brings together trade unions from industrialised, emerging and developing

countries - and, at country level, with local trade unions. The DFID-TUC guide to working with trade unions needs to be better implemented at country level.

The TUC calls on DFID to

- ***develop partnerships with international civil society, such as the International Trade Union Confederation, to enhance the involvement of working people in the decisions and policies of global institutions, and ensure that shared commitments to transformative change based on social justice can be put into practice globally and in developing countries;***
- ***ensure that country offices create partnerships with local trade unions to enable them to play a more active role in development and involve them in drafting Country Assistance Plans.***

The full TUC submission is at <http://www.tuc.org.uk/international/tuc-16715-f0.cfm>