The role of trade unions in international development cooperation

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Trade unions are international organisations supporting sustainable development and decent work

The global trade union movement is the largest democratic civil society institution in the world. Unions around the world are connected by formal institutional ties, organised on a regional, sectoral, and global basis. The British Trades Union Congress (TUC), representing 5.5 million workers via 48 affiliated trade unions, is a member of the International Trade Union Confederation (ITUC), which brings together 207 million members across 68 countries. We are part of the Global Unions Group, which includes the Trade Union Advisory Committee to the OECD (TUAC) and the Global Union Federations (GUFs), which organise trade unions on an international sectoral basis.

The struggles for decent work in the UK and around the world are interconnected. Our democratic structures connect trade unions in the Global North and Global South, facilitating sharing of policy knowledge, experience, and expertise. Unions therefore have a unique role in international development. Our approach is underpinned by solidarity, promoting social justice, decent work, equality, and respect for human and labour rights. It supports achieving the UN Sustainable Development Goals (SDGs) and facilitating a Just Transition for workers as part of the Paris Climate Agreement.

We recognise that international development takes place in the context of huge structural power imbalances between the Global North and Global South, which are legacies of colonialism that persist through decision and policy making in international institutions – and we are committed to advocating for reform. Crucially, unions are the legitimate representative organisations of working people, reflecting their aspirations, and translating their concrete material needs into collective action for change. Attempts to pursue international development ‘from above’ without reference to decent work and the self-organisation of working people is liable to failure, and even to produce perverse results. This is evidenced by the well documented impacts of unsustainable debt and ‘restructuring’ policies imposed on developing economies by International Financial Institutions (IFIs). Instead, trade unions advocate an approach to development based on the principle of international solidarity and promoting decent work for all.

The International Labour Organisation (ILO), an arm of the United Nations, defines ‘decent work’ as:

“Opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.”

According to the ILO, the rights to Freedom of Association and collective bargaining are fundamental enabling rights for decent work. Decent work is identified by the presence of full and productive employment, respect for rights at work, social protection, and social dialogue. Social dialogue means that trade unions are recognised social partners in policy making and standard setting, along with government and business.

This briefing begins by describing the global socio-economic context for international development. It then sets out the issues which have a significant impact on the lived reality of workers in the Global South – denying them decent work and the opportunity to live in dignity. We include examples of TUC project work that is helping to build the capacity of sister centres and promote gender equality. Finally, the briefing highlights the importance of social partnership in ending poverty and makes policy recommendations to promote inclusive and sustainable international development.
Inequality, gender discrimination, and climate change in perspective

According to the UN, “Inequality is growing for more than 70 per cent of the global population, exacerbating the risks of divisions and hampering economic and social development.” The UN has also highlighted that the coronavirus pandemic has exposed and widened gender and economic inequalities. These are linked to the underlying structural weakness of developing economies – particularly, inadequate physical infrastructure and lack of public sector capacity in healthcare, education, and social security.

The health and financial crisis brought about by the pandemic has also had a direct impact on working patterns, inducing mass layoffs and the driving down of pay and conditions. This is exacerbated by the endemic prevalence of a large informal economy within some low and middle-income countries, where workers are least likely to be covered by labour rights, collective bargaining agreements, or have minimum wages, and therefore are even more vulnerable to economic shocks.

The presence of these large structural inequalities means that the impact of the climate crisis is being felt unequally, with developing economies suffering first and suffering worse as a result of rising sea levels, loss of biodiversity, desertification, and extreme weather. The United Nations Association-UK (UNA-UK) notes that climate change amplifies existing gender inequalities, and its impacts will affect the livelihoods and wellbeing of women and men differently. These impacts will be felt particularly in relation to agricultural production, food security, health, water and energy resources, and climate-induced migration, for example.

Structural inequality also conditions the gendered division of labour. Women are overwhelmingly more likely to experience direct or indirect discrimination at work; be the first workers to be pushed out of the labour force in a crisis; most likely to have greater responsibility for unpaid care and domestic work; and to experience violence at home or work (see page 5-6). As a result of all these factors, women are also more likely to be reliant on the availability of quality public services.

Analysis by the UN shows that some of the sectors hardest hit by the pandemic are feminised sectors, such as accommodation and food services - characterised by low pay, poor working conditions and a lack of basic protections like sick pay and family leave. Women are losing their livelihoods faster because they are over-represented in such sectors and often hold less secure jobs than men. UN Women have estimated that around 435 million women and girls will be living on less than $1.90 a day — including 47 million pushed into poverty, as a result of Covid-19 and in 2018/19, the ILO found that globally, women continue to be paid approximately 20 per less than men.

International development and access to decent work therefore requires a gender transformative approach, facilitated by respect for the right to freedom of association and enforced by robust collective bargaining structures with the full and equal participation of women workers. Trade unions, by strengthening the bargaining power of workers, are crucial to reversing this trend towards inequality. They also are key partner for the Just Transition necessary to ensure the global shift away from fossil energy, and the resultant winding down of fossil fuel dependant industries, does not result in a global crisis of unemployment and deprivation.

International financial institutions and the global economy

The crisis of inequality has been decades in the making and stems directly from the central macroeconomic assumptions informing the process of neoliberal globalisation. According to the United Nations Committee for Trade and Development (UNCTAD), since the 1980s the share of national income going to labour has decreased in all regions and in almost every country, while the profit share has correspondingly increased. This redistribution of income seen in developed and developing countries highlights a race to the bottom in labour costs. The causes include wage suppression, the erosion of social security, growing market concentration, and decreasing unionisation rates. Attacks on
trade union rights work alongside economic liberalisation in the developing world, entrenching the unaccountable power of global finance across both spheres.

The result has been a loss of economic sovereignty in the Global South. Access to international capital for low- and middle-income economies has been dependant on strict economic conditionality imposed by IFIs. In practice this has meant economic ‘restructuring’ imposed on debtor nations by creditors, promoting austerity, privatisation of state assets, and an a priori preference for private financing.

In 2018, the UN Independent Expert on the effects of foreign debt wrote that:

“Austerity-related labour law reforms have been promoted by international financial institutions on the assumption that they will lead to economic growth and thus prevent or help overcome debt crises. These reforms include measures that restrict collective bargaining, reduce minimum wages, eliminate limits on working hours, expand the use of precarious employment contracts and facilitate dismissals. In doing so, governments and international financial institutions have frequently contributed to an increase in inequality and insecure and informal employment; fostered discrimination in the labour market towards women, youth, older persons and individuals belonging to marginalized social groups; and resulted in the reduction of job-related social protection.”

According to the World Bank, debt in emerging and developing economies reached US$55 trillion in 2018. This is a result of the ‘scissors effect’ created by increased borrowing costs for poorer countries and falling incomes from commodities. The impacts of the debt crisis cannot be overstated. Analysis shows that in 2020, low-income countries spent more on external debt repayments than on healthcare, and the IMF’s own research estimates that low-income economies lose about US$200bn a year in corporate tax revenues due to tax havens, dwarfing what they receive in aid.

The economic conditionality imposed by IFIs is packaged as necessary for ‘modernisation’ and growth. Because of the emphasis on private financing for international development, conditionality often promotes foreign direct investment (FDI). However, research shows that developing countries, especially in sub-Saharan Africa and low-income countries, do not have the absorption levels required to benefit from foreign investments. Even when FDI is absorbed, the core/periphery relationship between advanced economies in the Global North and basic commodity-producing economies in the Global South is often entrenched.

The IFIs have promoted their vision - ‘billions to trillions’ - intended to mobilise, catalyse and crowd-in private investment to bridge the gap between the billions available through Official Development Assistance (ODA) and the trillions needed to achieve the SDGs. However, compelling evidence points to this model of ‘maximising finance for development’ being fundamentally flawed. Such schemes have consistently failed to deliver desired outcomes for the productive economy and must therefore no longer go unchallenged.

**Barriers to sustainable development and decent work for all**

The UK, as part of the international community, has committed to meeting the SDGs by 2030. SDG 8 is ‘to promote sustained, inclusive and sustainable economic growth with full employment and decent work for all.’ Without achieving SDG 8 on decent work, other goals become unattainable, for example: No poverty (SDG 1), quality education (SDG 3), good health and wellbeing (SDG 4), gender equality (SDG 5), reduced inequalities (SDG 10), and climate action (SDG 13). All are dependent on the availability of good, secure employment opportunities with minimum living wages.

Drawing on our own experience, and supported by research from the UN and ILO, trade unions have identified several fundamental barriers to creating decent work.

These barriers include:
• **Persistent violations of labour and human rights:** According to the ITUC’s Global Rights Index (2021), which ranks 149 countries on their degree of respect for workers’ rights, “abuses of the right to strike, the right to establish and join a trade union, the right to trade union activities and civil liberties and the right to free speech and assembly are at an eight-year high”. 22

• **Informality and precarious work:** According to the ILO, 2 billion workers make their living in the informal economy around the world, and approximately 740 million of these are women. In Africa, for example, 90 per cent of employed women are in informal employment. This informality is reflected in a lack of rights at work, and a lack of social protection and decent working conditions. 23

• **Gender discrimination and exploitation in supply chains:** In global supply chains, where around 190 million women work, conditions are often unsafe, with excessive hours and inadequate wages. These women workers are more vulnerable to sexual harassment and violence and have limited bargaining power and trade union representation. 24 In the context of the pandemic, evidence indicates that millions of workers in global supply chains have been laid off and many have had their hours and wages reduced. 25

• **Migrant workers facing precarity and exclusion:** Migrant workers are often in temporary, informal or unprotected jobs and do not have secure legal status in countries, which expose them to an increased risk of insecurity, layoffs and worsening working conditions. The ILO notes that the coronavirus crisis has intensified these vulnerabilities, particularly for women migrant workers, due to their overrepresentation in lower paid and lower skilled jobs with limited access to social protection or support services. In the pandemic, migrant workers have been the first to be laid off, have experienced difficulties in accessing treatment for coronavirus and are often excluded from national Covid-19 policy responses. 26

• **Circumvention of workers’ rights via new technologies, such as platform working:** Issues faced by on-location platform economy workers include: freedom of association is not effective or is prevented; worker representation or collective bargaining mechanisms are not accessible; pay below minimum or living wages; unpredictable fluctuations in pay; lack of sick pay, holiday pay, or access to maternity or paternity benefits; discrimination in algorithms and rating systems; a high number of accidents at work and a lack of training; no protections against violence or abuse at work; and pay and working time settings controlled by the platform through algorithms. 27

• **Unpaid care work preventing women’s equal participation in the labour force:** Unpaid care work remains the main barrier that prevents women from getting into, remaining in and progressing in the labour force. 28 In 2018, the ILO found that globally, women performed 76 per cent of total hours of unpaid care work, more than three times as much as men. 29 Labour force participation is one of many areas where structural gender inequalities are reflected. In 2019, female labour force participation globally was 47 per cent, 27 percentage points below the rate for men, with strong regional variations and persistent gender disparities related to job quality. 30

• **Widespread absence of basic social security:** Social protection is a pillar of decent work and a human right, therefore access to effective and comprehensive social protection systems is needed to achieve decent work. However, about 71 per cent of the world’s population has no or only partial access to comprehensive social protection systems. 31 The coronavirus pandemic has exposed the drivers of gaps in social security coverage for women, which include higher levels of part-time and temporary work, informal employment in sectors more exposed to the virus, greater informal self-employment, and disproportionately higher shares of unpaid care work. 32

• **Lack of access to healthcare:** Even prior to the pandemic, research by the WHO and World Bank indicated that at least half the world’s population could not obtain essential health services. 33 Responding to Covid-19 has pushed health systems to their limits and exposed severe gaps in public health provisions. 34 The World Bank and IMF are partly responsible for this historical
weakening of health and other public services. In many countries, IMF-imposed austerity measures have led to cuts to public services. In health, for example, these have had a negative impact on health service delivery and health personnel, which has reduced access to health services for the population.35

- **Lack of access to publicly provided quality education**: Education for all has long been recognised as central to the sustainable development agenda36 and an integral enabler of all other SDGs.37 Research demonstrates that education has direct and indirect impacts on economic growth and poverty mitigation. Eighty-five per cent of countries – 6.6 billion people – will face austerity policies impacting their education systems next year,38 including public sector pay freezes ‘advised’ by the IMF.

### Trade union partnership in action

The TUC works closely with our affiliates on international development and takes part in international social dialogue through our work at the ILO and working alongside NGOs. We also take part in direct solidarity actions with sister union centres around the world, participating in campaigns and advocacy, and supporting global unions in their diverse and, sometimes, existential struggles.

In addition, the TUC works in partnership with sister centres through TUC Aid39 to build trade union capacity. Recent examples of successful partnerships include:

- **Brazil, Latin America and the Caribbean** - Our project with Building and Woodworkers International (BWI) has helped initiate discussions on violence against women as a trade union issue and facilitated solidarity between unions working on this issue in the UK and the region. The project has built the capacity of unions by increasing understanding of the structural causes of gender-based violence, sharing good practice, and providing training on developing and implementing digital campaigns to tackle this issue. Over 28,000 people were reached by the digital campaigns developed as part of this project.40

- **Iraq** - The UN has acknowledged the seriousness of the problem of violence and harassment against women. We have supported our sister union, the General Federation of Iraqi Trade Unions (GFITU) to run workshops, mainly for women trade unionists in its affiliates, on women’s rights, Iraqi Labour Law, social security and ILO Convention 190 (Violence and Harassment) resulting in 16 women being elected to trade union leadership positions. The project is also building organising capacity, helping to organise more women into trade unions, and supporting an awareness raising campaign to tackle violence and harassment at work and wider society.41

- **Bangladesh** – In Bangladesh, TUC Aid supported a two-phase project which trained over 420 women on issues including organising, collective bargaining, labour law, women’s rights, trade union rights, leadership and health and safety. Following the first phase of the project with the National Garment Workers Federation and Danish Federation 3F, at least 20 women were elected to leadership positions in local unions.42

### TUC policy recommendations

Support for trade union organisation creates a virtuous cycle in development terms. Given a supportive legislative environment, trade unions become self-perpetuating, self-financing organisations. Many barriers to decent work can be immediately and powerfully mitigated through support for trade union organising at a workplace level, even in the relative absence of effective regulation or state enforcement. However, wider social rights are also brought within reach by the strengthening of trade
unions as social partners, allowing unions to fulfil their role upholding, expanding, and defending social rights like access to healthcare and education.

As part of the global trade union movement, the TUC is calling for a new social contract which includes the creation of decent, climate friendly jobs, respect for rights at work, equal opportunities, and inclusion. Reform on this scale implies change to the global economic architecture and that policy coherence across development, trade, supply chains, and climate is key to achieving sustainable development, equality, and decent work for all.

The TUC recommends that UK Government representatives to the World Bank and IMF promote:

- **Democratic reform of the World Bank and IMF** with an approach to policy making that is evidence-based and aligned with promoting respect for rights at work, human rights, and meeting the SDGs and Paris Agreement commitments.

- **Policy space for developing countries to determine their own paths to development** through social dialogue and democratic decision making, which includes the voices of women, public investment, fair and progressive taxation, international corporate tax reforms, and support for a financial transaction tax.

- **Increased debt relief, restructuring and cancellation** – with resources targeted to meeting the SDGs, climate adaptation, and delivering decent work.

- **The establishment of a Global Social Protection Fund** for the least wealthy countries, with the aim of realising the universal right to a minimum of social security in line with international standards.

To the UK Foreign, Commonwealth and Development Office, the TUC recommends:

- **Inclusion of trade unions as social partners** in strategy formation, policy making and development projects.

- **Reversal of the aid cuts** and a commitment to spending 0.7 per cent of GNI on UK aid.

- **A waiver for Trade-Related Aspects of Intellectual Property Rights (TRIPS)** to facilitate a global rollout of vaccine technology.

- **Aid spending which promotes respect for fundamental rights at work**, including the right to freedom of association and to bargain collectively, which are vital to promoting gender equality.

- **Support for public investment in gender-responsive quality public services**, especially healthcare, social care, including the care economy, and education, underpinned by decent work for public service workers.

- **Support for public investment in climate friendly, decent jobs** which promotes a Just Transition away from the fossil fuel economy.

- **Support formalising the informal economy**, working with partner governments and trade unions, drawing on ILO Recommendation 204.

- **Influence the World Bank and IMF** to stop imposing harmful austerity policies, deregulation, and privatisation of state assets in low and middle-income countries.

- **Support for all workers being able to claim employment rights**, regardless of immigration status.
• **Renewed funding for the ILO** and a close working relationship between trade unions, governments, and business, on a tripartite basis and through multilateral institutions and joint programmes.

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**Endnotes**


7. From insight to action: gender equality in the wake of COVID-19, UN Women 2020


10. [https://www.ituc-csi.org/just-transition-centre](https://www.ituc-csi.org/just-transition-centre)


17. The Impact of State-Investor Contracts on Development, Institute of Development Studies (2018) [https://assets.publishing.service.gov.uk/media/5c18dc6a40f0b60c22fb8e88/397_The_Impact_of_State-Investor_Contracts_on_Development.pdf](https://assets.publishing.service.gov.uk/media/5c18dc6a40f0b60c22fb8e88/397_The_Impact_of_State-Investor_Contracts_on_Development.pdf)

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