Labour Standards and Poverty Reduction: International Strategies

by

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Background Document
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Introduction

This background document was produced by The North-South Institute for the workshop on Core Labour Standards and Poverty Reduction held December 4-5, 2000, in Aylmer, Quebec. Workshop convenors were:

- The Canadian Labour Congress (CLC) and members of the Labour International Development Committee (LIDC). The LIDC is comprised of the CLC, the Canadian Auto Workers Social Justice Fund, the Communications Energy and Paperworkers Union of Canada Humanity Fund, the Canadian Union of Public Employees Union Aid, the Industrial Wood and Allied Workers of Canada International Solidarity Fund, and the Steelworkers Humanity Fund.
- The Canadian International Development Agency (CIDA)
- The North-South Institute (NSI), and
- Human Resources Development Canada (HRDC)

The workshop discussed issues surrounding the role of labour standards and unions in development, and explored strategies and tools that development agencies might use in implementing core labour standards (CLS) in developing and transition countries.

This document provides basic information on the role and activities of the International Labour Organization (ILO) in global poverty eradication, highlighting in particular the strength of the ILO’s unique structure which involves the “social partners” representing trade unions, employers and governments in implementing CLS. An important focus of the paper is on the role and activities of trade unions, in particular the Canadian trade unions, in development and relief activities, and initiatives they have undertaken to promote labour standards in developing countries.

The paper summarizes the current discussion in several multilateral forums on linkages between CLS and poverty reduction. Examples are provided of national and multilateral development agency tools and strategies to support labour sector development and to promote CLS in developing countries, with a particular focus on activities that involve trade unions as partners.

Of particular relevance to international development agencies is the broader context within which the ILO’s Declaration on Fundamental Principles and Rights at Work, and the "Decent Work" initiative operate – that is, globalization, and the debate on new architecture of governance for the mix of macroeconomic, financial, trade and social policies that accompany globalization. In the debate on “new financial architecture,” for example, the ILO has staked out a role to emphasize the importance of employment and rights at work in whatever architecture is put in place, and to facilitate the exposure and voice of its constituents in the ongoing debate.
While by no means exhaustive, the paper is intended to contribute to discussion within CIDA, and between CIDA and partner organizations, on how Canadian development cooperation initiatives could further the recognition and observance of CLS in poor countries. Some suggestions are offered on the next steps CIDA might consider in its emerging interest in integrating core labour standards in policies and practices. The paper also raises broader issues of policy coherence, as many areas of Canadian policy affect the development impact of Canada’s relations with developing countries: for example, trade and finance.

Canada’s obligations as a member of the ILO to support and promote the Declaration on Fundamental Principles and Rights at Work provide an opportunity for CIDA to consider how that Declaration and its follow-up align with CIDA’s goals and objectives. A renewed focus on workers and employment issues also reinforces CIDA’s mandate "to strengthen components of civil society, such as civic organizations and trade unions"2 in developing countries. Partnerships with trade union organizations, labour solidarity funds, and non-governmental organizations (NGOs) engaged in workers’ rights issues also contribute to CIDA’s interest in promoting human rights.

Moira Hutchinson contributed substantially to the sections on Canadian trade unions and voluntary regulation in the private sector.

The views expressed in the paper do not necessarily represent those of the co-sponsors.
## Glossary

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<th>Abbreviation</th>
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<tr>
<td>AfDB</td>
<td>African Development Bank</td>
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<td>AsDB</td>
<td>Asian Development Bank</td>
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<td>CAW-SJF</td>
<td>Canadian Auto Workers Social Justice Fund</td>
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<td>CEC</td>
<td>Canadian Employers’ Council</td>
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<td>CEP-HF</td>
<td>Communications, Energy and Paperworkers Union of Canada Humanity Fund</td>
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<td>CIDA</td>
<td>Canadian International Development Agency</td>
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<td>CLC</td>
<td>Canadian Labour Congress</td>
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<td>CLS</td>
<td>Core labour standards</td>
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<td>CSN</td>
<td>Confédération des syndicats nationaux</td>
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<td>CUPE</td>
<td>Canadian Union of Public Employees</td>
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<td>CTUC</td>
<td>Commonwealth Trade Union Council</td>
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<td>DANIDA</td>
<td>Danish development agency, Ministry for Foreign Affairs</td>
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<td>DFAIT</td>
<td>Department of Foreign Affairs and International Trade</td>
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<td>DFID</td>
<td>Department for International Development, UK</td>
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<td>ECOSOC</td>
<td>United Nations Economic and Social Council</td>
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<td>ETI</td>
<td>Ethical Trading Initiative</td>
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<tr>
<td>GTZ</td>
<td>German government-owned, public benefit company that undertakes development cooperation activities, using primarily public funding</td>
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<td>HRDC</td>
<td>Human Resources Development Canada</td>
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<td>FTQ</td>
<td>Fédération des travailleurs et travailleuses du Québec</td>
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<td>IAW-ISF</td>
<td>Industrial, Wood and Allied Workers of Canada International Solidarity Fund</td>
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<td>ICFTU</td>
<td>International Confederation of Free Trade Unions</td>
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<td>IDB</td>
<td>Inter-American Development Bank</td>
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<td>IFC</td>
<td>International Finance Corporation</td>
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<td>IFBWW</td>
<td>International Federation of Building and Wood Workers</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>IPEC</td>
<td>International Programme for the Elimination of Child Labour</td>
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<td>ITS</td>
<td>International Trade Secretariat</td>
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<td>LIDC</td>
<td>Labour International Development Committee</td>
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<td>NEDA</td>
<td>Netherlands Development Assistance</td>
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<td>NGO</td>
<td>Non-governmental organization</td>
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<td>NORAD</td>
<td>Norway, Ministry for Foreign Affairs</td>
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<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
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<td>SEWA</td>
<td>Self-Employed Women’s Association</td>
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<td>SHF</td>
<td>Steelworkers Humanity Fund</td>
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<td>TUAC</td>
<td>Trade Union Advisory Committee to the OECD</td>
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**Toward a Comprehensive Approach to Poverty Alleviation: The Role of Labour Standards**

Concepts of poverty have broadened in recent years beyond concerns about income and living standards to reflect a concern with vulnerability and risk, and with powerlessness and lack of voice. Increasingly, major institutions of global governance are moving toward comprehensive, broad-based and inclusive approaches to poverty alleviation that assert that workers have a right to labour standards. At the same time, development organizations are seeking poverty-reducing strategies that recognize the interaction among the various dimensions of poverty. A focus on workers’ rights to labour standards at work reflects this shift in ideas about poverty and vulnerability to a broader understanding of poverty as a lack of access to services, lack of personal security, low social status, and lack of control over labour and working conditions.

The World Bank’s Comprehensive Development Framework, for example, builds on discussion in the OECD in 1995 on partnership, and aims to bring together current trends in development thinking that balance good macroeconomic and financial management with sound social, structural and human policies. And the *World Development Report 2000/2001* contrasts the World Bank’s 1990 two-part strategy for poverty reduction – labour-intensive growth and broad provision of social services – with the Bank’s current three-pronged approach – promoting opportunity (expanding economic opportunity for poor people), facilitating empowerment (governance and equity considerations), and enhancing security (reducing vulnerability to illness, economic shocks, natural disasters, and policy-induced-dislocations).

A concern about the quality of the working environment, and the relationship between working conditions and the broader social environment has, traditionally, been a key concern of the trade union movement. Unions have always held that a consistent defence of their members’ interests over the long term requires them to work for people's overall well-being. Their vision of society includes elements such as political, social and industrial democracy, civil and democratic rights for all, the elimination of poverty, equality and the rule of law. The guarantee of fundamental principles and rights at work is of particular significance: this guarantee enables workers to claim freely, and on the basis of equality of opportunity, their fair share of the wealth which they have helped to generate and to achieve fully their human potential. Respect for freedom of association and effective recognition of the right to collective bargaining are thus intrinsic parts of a broad based conception of development as a process through which individuals and communities enlarge and realize their capabilities.

The relationship between the realization of the principles of freedom of association and the effective recognition of the right to collective bargaining and development in a globalizing world is complex.
In the United Nations Development Programme’s *Human Development Report 2000*, Nobel laureate Amartya Sen discusses a key underlying question: how to define “development”. He advances the concept of *freedom as development*. This view includes as goals both civil and political freedoms, of which freedom of association and the right to organize collectively are part.

The increasing discussion on core labour standards (CLS) takes place in the broader context of a globalizing economy and society, and discussions on reform of financial architecture and global trade regimes. While much rhetoric is spilled recognizing the urgency of integrating social and economic considerations in the new structures of global governance, the voices of those advocating for social objectives are sometimes less audible than those of finance and trade officials. With extensive experience working in power relations in systems of production and distribution in developed and developing countries, the labour movement is an important partner, at both the grassroots and international levels, in negotiating the social agenda.

The international development community is increasingly accepting that while growth is important, sustainable development encompasses many other factors (for example, the Asian financial crisis demonstrated that high levels of GDP growth did little to alleviate the vulnerability of certain individuals and groups). There is growing recognition of the need to consider institutional factors in order to ensure that growth translates into poverty reduction. Among the institutions that matter are the “institutions of voice”: trade unions and other effective social groups. As the ILO explains, principles of freedom of association and effective recognition of the right to collective bargaining are necessary conditions for the development of institutions of voice in the labour market – in both the formal and informal economy.

**Core labour standards, economic efficiency and growth**

A recent literature review by the OECD concludes that there is growing consensus on the relationship between CLS, economic efficiency and growth. The 2000 study, which updates a 1996 OECD investigation into economic efficiency, argues that the resulting increased buy-in by workers to the goals of the immediate work group can lead to higher productivity. Further, collective bargaining can enhance the overall efficiency of the economy by facilitating income redistribution that would not occur, or would be more costly to implement, through the tax and welfare systems.

The ILO presents the economic efficiency case for core labour standards as follows:

- child labour is detrimental to development, since it means that the next generation of workers will be unskilled and less well-educated;
- collective bargaining and tripartite dialogue are necessary elements for creating an environment that encourages innovation and higher productivity, attracts foreign direct investment and
enables the society and economy to adjust to external shocks;
- discrimination faced by women and minority groups are important obstacles to economic efficiency and social development.

The International Labour Organization’s Development Agenda

“Re-thinking development has to be more than compensating losers. We have to design a new policy architecture that makes poverty reduction through the creation of decent jobs a central component of integrated policies for a people-oriented globalization” - Juan Somavia, address to the staff of the World Bank, March 2, 2000.

The ILO is widely acknowledged as the global reference point on employment and labour issues and a centre for normative action in the world of work. It provides a platform for international debate and negotiation on social policy, and offers services for advocacy, information and policy formulation. The ILO is the only international institution that monitors labour rights.

Under its Director General, Juan Somavia, the ILO has launched a development agenda. The Decent Work initiative is the expression of the organization’s shift in focus. As Mr. Somavia stated in his report, Decent Work, to the International Labour Conference in June 1999, “The guarantee of rights at work enables people to claim freely a fair share of the wealth they have helped to generate, and to seek more and better work. The guarantee of those rights is therefore also a guarantee of a permanent process of translating economic growth into social equity and employment at all stages of the development path.”

A cornerstone of this agenda is the ILO Declaration on Fundamental Principles and Rights at Work and its follow-up, which aims to enable all working women and men to have a say in defining what decent work means for them and how to achieve it. The decent work agenda addresses jobs, enterprise creation and human resource enhancement, and elimination of the worst forms of child labour. Gender is a cross-cutting theme.

There are four key elements in the decent work agenda:
- promotion of the Declaration on Fundamental Principles and Rights at Work, and their follow-up;
- creation of more and better jobs and income (recognizing that all work should be safe work);
- social protection for all;
- increasing social dialogue, networking and organization (the ILO recognizes that it needs to work with many people in civil society; the organization’s strength is its tripartite structure, which is presently extending to include NGOs and peoples’ organizations (POs) within the
The Declaration on Fundamental Principles and Rights at Work

The 1998 ILO Declaration on Fundamental Principles and Rights at Work (the ILO Declaration) emerged in the context of adjustment to an emerging global economy, and represents a major thrust by the ILO to secure wide ratification of core labour conventions by member states.

Adjustment to forces of globalization has been marked by a series of crises, from the oil shocks of the 1970s and the debt crises in Africa and Latin America in the 1970s and 1980s, to the transitional crisis in Europe in the 1990s and, more recently, the Asian financial crisis. The Declaration urges all ILO member states “to respect, to promote and to realize in good faith” the rights of workers and employers. It also emphasizes the commitment of member states to the fundamental principles of CLS. All member states, by virtue of their membership in the ILO, have an obligation to promote the principles and standards, even if they have not ratified them. These core labour rights are not under debate; what is under discussion is support for core labour standards; that is, the mechanisms that implement those rights.13

The follow-up to the ILO Declaration provides for the ILO to assist member states, upon request, in achieving the Declaration's objectives. This could be in the form of technical assistance, or realized through activities of multilateral organizations or projects implemented by other parties such as trade unions and NGOs. The ILO has been urging the Bretton Woods institutions and the United Nations system as a whole to speak “with a single voice” on global minimum labour standards, and has urged these institutions to integrate standards into their policies and programs.

The four “fundamental principles and rights at work” provide a framework for the meaningful application of eight labour standards (see below) and promote the expression of free choice as a key element in the healthy functioning of market economies.14 The high degree of international political consensus with respect to these standards, and the primacy of the ILO among international organizations with respect to key aspects of labour standards, is reflected in documents such as the declaration issued by the WTO Singapore Ministerial Conference in December 1996; this highlighted the commitment of the more than 120 participating nations to observe these core labour standards, and affirmed the ILO as the competent body to set and deal with the standards.

The fundamental principles and rights in the ILO Declaration draw from the conclusions of the 1995 World Summit on Social Development. The Programme of Action from that Summit commits participants to safeguard and promote "basic workers' rights" based on the eight ILO Conventions listed below:

1. Freedom of association and the effective recognition of the right to collective bargaining:
- Freedom of Association and Protection of the Right to Organize Convention, 1948 (No. 87)
- Right to Organize and Collective Bargaining Convention, 1949 (No. 98)

2. Elimination of all forms of forced or compulsory labour:
- Forced or Compulsory Labour Convention, 1930 (No. 29)
- Abolition of Forced Labour Convention, 1957 (No. 105)

3. Effective abolition of child labour:
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182) – this convention is now designated as the eighth fundamental convention, effective upon its entry into force on 19/11/00.

4. Elimination of discrimination in respect of employment and occupation:
- Equal Remuneration for Men and Women Workers for Work of Equal Value Convention, 1951 (No. 100)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

Of these, the ILO and most trade unions emphasize that freedom of association and the right to collective bargaining constitute the foundation on which all other rights are built and respected.

**Gender equality issues in labour standards**

Labour standards are important tools to promote equality concerns. Increasingly, trade unions have become strong advocates on gender equality issues, a response to the rapid rise in female labour force participation rates, growing visibility of gender issues in the workplace, and trade union efforts to organize and support women workers in the informal sector. Labour legislation on minimum wages is particularly important to women because women predominate in lower-paid work where minimum wages are most relevant. Further, women are less likely to be in unionized sectors where wages are set through collective bargaining. Labour standards empower women by outlining women's rights, and even for those outside the formal sector, the standards provide a declaration of the rights of women workers.¹⁵

There are, however, labour rights issues of particular concern to women workers that are not explicitly addressed in the core labour standards encompassed in the “fundamental principles and rights at work”. These include issues relating to occupational health and safety, maternity leave, sexual harassment and physical abuse, reproductive rights, minimum wages and maximum hours of work. Workers in the informal sector are often in desperate need of the social protection that standards are designed to offer: the 1996 Convention on Homework, for example, recognizes that homeworkers are entitled to minimum standards laid down by international law, including rights to
accessible training to improve skills. These are labour rights issues on which trade unions have often supported women workers (see section below on trade unions).

There is also an urgent need for protection for migrant workers, who, whether legally or illegally employed, frequently are denied basic rights of citizenship in the country where they work. This vulnerability is exacerbated by the lack of jurisdiction of the labour-sending country once the workers cross the borders of their home country.

**Labour Standards for Informal Sector Workers**

A challenge for the ILO and national governments is in extending the rights and principles contained in the ILO Declaration beyond workers engaged in a traditional employer-employee relationship to include those in the informal sector, where a majority of the world’s workers, and the poorest workers, are to be found. This sector is also growing as a result of the changing organization of production by multinational corporations – the processes of globalization are pushing workers out of the formal sector, governed by rules and norms, into the unregulated, unprotected sector. Decentralization and the increasing use of sub-contractors have contributed to the expansion of the informal sector globally. In high-income countries, about 15 percent of the population is engaged in work outside the formal sector; the figure is 40 percent for middle-income countries and 80 percent for low-income countries.\(^{16}\)

The majority of these workers are women, and many have been displaced from jobs in the formal sector. In response to the recent financial crisis in Asia, many companies moved production outside the factory, offering piecework to women workers to perform in the home. Piece-rate wages are generally considerably lower than daily minimum wages. In addition, home-based workers lose all the social benefits they had as factory workers, and they must take on costs of electricity, water and sometimes tools of the trade (sewing machines, for example). The putting-out system is also an effective way of discouraging worker solidarity and collective bargaining. Occupational health and safety issues and their downstream implications are enormous: former factory workers in the Thai shoe-making industry, for example, have moved dangerous equipment and toxic chemicals into their homes. Safe disposal of toxic materials into local communities is doubtful, a result of ignorance or lack of capacity.

Another study on factory unemployment in Indonesia found that many companies took advantage of flexibility in new labour regulations after the crisis to retrench undesirable workers (activists, older and higher-waged workers, for example), and replace them with younger, single (and lower-waged) women workers.\(^{17}\)

Discussions on labour standards at a recent HomeNet Southeast Asia workshop on globalization
and informalization\textsuperscript{18}, which received support from CIDA’s Southeast Asia Gender Equity Project,\textsuperscript{19} addressed concerns about "throwing the baby out with the bath water." How can core labour standards be applied down the supply chain in such a way that the livelihoods of homeworkers are not jeopardized? How can social protection coverage be made universal, at a cost reasonable to workers, employers (where a formal employee-employer relationship exists) and the state, without lowering standards? Homeworkers at the Bangkok workshop spoke of the need to link standards to institutional change, and the need to involve homeworkers in identifying appropriate, intermediate standards. They suggested that priority be given to identifying a reduced social protection scheme to which they could afford to contribute; or certain minimum labour conditions, for example health and safety standards, that could benefit homeworkers rather than put them out of work.

Others have emphasized that voluntary grassroots schemes should not be viewed by employers as a cheap substitute for social security and thus an encouragement to informalize more of their activities. Instead, state systems already in place should be extended to all workers.

The ILO's response is that it takes a "comprehensive" approach to labour standards, recognizing, as Amartya Sen elaborates, that in furthering the interests and demands of one group (such as workers in the organized sector), it is easy to neglect the interests and demands of others. The ILO also recognizes that it must broaden its partnerships to include non-governmental organizations and networks of workers, such as HomeNet and WIEGO (Women in Informal Employment: Globalizing and Organizing)\textsuperscript{20}, which work with women in the informal sector. An example is the collaboration between the ILO, the World Bank and WIEGO on a study and workshop on social protection for workers in the informal economy carried out in connection with the ILO STEP program (Strategies and Tools against Social Exclusion and Poverty).\textsuperscript{21}

A key consideration is placing the diverse concerns of different groups of workers within a comprehensive assessment, so that, as Sen explains, "the curing of unemployment is not treated as a reason for doing away with reasonable conditions of work for those already employed, nor is the protection of workers already employed used as an excuse to keep the jobless in a state of social exclusion from the labour market". Even when "trade-offs" have to be made, Sen argues, "they can be more reasonably addressed by taking a broader and inclusive approach." These considerations are critical to implementing core labour standards in such a way that the livelihoods of the poorest and most vulnerable are not jeopardized.

The major thrusts of ILO initiatives aimed at the informal sector are:

- revision of the statistical definition of the sector, and measurement in the urban and rural sector;
- promotion of rights at work (legal literacy, social empowerment, freedom of association,
• ending discrimination, bonded labour and the worst forms of child labour;
• access to economic services and business opportunities, vocational and technical training and enterprise development training;
• extension of social protection.

The trade union movement and the ILO are finding new ways to form alliances with informal workers to support social dialogue, organization and representation. In some cases, a traditional trade union may extend its field of activity to include informal workers. The Textile, Clothing and Footwear Union of Australia, for example, organizes homeworkers in its sector, and UNITE in Canada organizes homeworkers in the garment industry. TESTU, the Transport and Export Service Trade Union in Bangkok, has extended its support to home-based shoe-sewers (women, mostly wives of TESTU members) by setting up a credit union, helping them lobby for welfare, and raising their concerns (low wages, intermittent work) with suppliers.

The Self-Employed Women's Association (SEWA) in Ahmadabad, India, is an example of a new trade union created specifically to organize informal sector workers. Formed 25 years ago, SEWA organizes homeworkers, street vendors, paper pickers and refuse collectors. It has created a bank providing microcredit, a vocational and trade union training programme at different levels, producers' cooperatives, and service cooperatives, such as health and housing. SEWA played a central role in instigating the ILO Homeworkers Convention. SEWA is also active at the international level in two networks of informal sector workers: StreetNet, the International Alliance of Street Vendors, and HomeNet.

**Canada and the ILO**

Canada has been a member of the ILO since it was established in 1919; during WWII, the ILO temporarily moved its offices to Montreal. Canada maintains an ongoing link to the ILO through the Canadian Mission to the United Nations in Geneva. Canadian delegations to the ILO's annual June conference, meetings of the Governing Body or sectoral meetings are tripartite: they are made up of representatives of government, labour and employers. The government representative is the Labour Program in Human Resources Development Canada (HRDC), which consults broadly with provincial and territorial governments through their departments of labour, and with employers' and workers' organizations in Canada. The employers' organization is the Canadian Employers Council (CEC), and the workers’ organization is the Canadian Labour Congress. Traditionally, the Confédération des syndicats nationaux (CSN) also holds one of the labour positions on the delegation.

The Department of Foreign Affairs and International Trade (DFAIT) is consulted on matters pertaining to human rights, United Nations specialized agencies including the ILO, budgets and personnel. CIDA is consulted on matters of technical assistance or cooperation. Canada's annual
assessment to the ILO amounts to approximately $10 million. In addition, Canadian government contributions to certain ILO initiatives may be channeled through CIDA – for example, Canada's recent announcement of $15 million to the ILO's International Programme for the Elimination of Child Labour over a five-year period.

The ILO does not have a high profile in Canada, although in the Latin American region, which includes Canada, the organization is taking on a more prominent role. The Canadian ILO representatives feel that Canadian participation in the ILO is important, and that the ILO deserves higher prominence in Canada, arguing that the organization is “a vehicle for Canada to project its image and values of human dignity on to the world stage.” Canada, as a member of the ILO, has committed to support “effective and speedy follow-up on the ILO Declaration on Fundamental Principles and Rights at Work.” Through its development cooperation initiatives, CIDA could make an important contribution to fulfil broader Canadian obligations. The concluding section of this paper offers some suggestions for CIDA to consider.

CIDA has tended to take the lead on Canadian involvement in ILO initiatives that correspond to CIDA’s activities in developing countries, but has not to date been involved in substantive dialogues with the ILO or in broader discussion of core labour standards. CIDA participates in the ILO's International Programme for the Elimination of Child Labour (IPEC), specifically through contributions to the Statistical Information and Monitoring Programme on Child Labour (SIMPOC) that provides for the collection of comprehensive and reliable data.

The ILO’s role in the emerging new international architecture is also of particular relevance to Canada, which has taken on a leadership role in other related forums, for example, Finance Minister Paul Martin’s leadership of the Group of 20 finance ministers which met earlier in 2000 in Montreal. The ILO presents an important vehicle to ensure that the new international architecture will include the “institutions of voice” in both the North and South. The ILO’s key role in addressing the social dimensions of globalization, and the Decent Work agenda mainstreaming development, gender and small enterprise development, resonate with CIDA’s policy priorities for social development.

**Labour Standards, Social and Economic Development: Responses by Multilateral Financial Agencies**

The ILO has been urging the Bretton Woods institutions and the United Nations system as a whole to speak “with a single voice” on global minimum labour standards. While not insisting that these institutions make their programs and funding conditional on the recipient enforcing core labour standards, the ILO is urging them to integrate standards into their policies and programs. Today, there is growing convergence between the ILO and the international financial institutions (IFIs) on
the links between economic and social development and promoting labour standards.

In 1999, the ILO was admitted as an observer to the Development and Interim Committees of the World Bank and IMF, providing a means for high-level engagement between them, and an institutional framework within which management and staff-level cooperation could take place. Meetings of senior leaders of the ILO, World Bank and IMF take place annually. At a recent meeting with World Bank staff, for example, ILO Director-General Juan Somavia highlighted the points of synergy between the WB's comprehensive development framework and the ILO's concept of Decent Work, in particular the CDF's emphasis on fostering partnerships within countries among the "social partners" (employers, workers and governments) with whom the ILO has been engaged since 1919.23

The multilateral financial agencies are adopting, to various degrees, similar steps, including:

- linking up with international efforts to promote and implement CLS;
- sensitizing staff and management on issues involving CLS, including studies into how they could address labour standards in their activities and support the efforts of other organizations such as the ILO;
- increasing dialogue and consultation with trade unions and non-governmental organizations engaged in workers’ rights issues;
- taking CLS into consideration when revising relevant sectoral and non-sectoral policy guidelines.

**World Bank (WB)**

The World Bank took its first look at the relationship between core labour standards and macro-economic stability with the 1995 World Development Report, in which Bank President James Wolfensohn emphasized that “work – safe, productive and environmentally sound – is the key to economic and social progress everywhere.” More recently, the Comprehensive Development Framework and the Bank’s work on social principles represent important responses to the Bank’s recognition of the social dimensions of globalization. The Bank and the ILO have increased their collaboration steadily in recent years, particularly in areas of child labour and vocational training, joint research and data collection and sharing. The WB is increasingly taking on a promotional role with respect to labour standards, despite continuing reservations on links between freedom of association and economic growth.24

The Bank has established a Labour Markets Group within its Social Protection Team, which functions as resource to the Bank by informing Bank staff on labour issues, conducting staff training, and coordinating cooperative initiatives with unions and the ILO.25 It acts as a resource for country directors, who may include labour standards in the Country Assistance Strategies (CASs) of borrowing countries. It identifies key issues for client countries and provides Bank staff
with information on labour market interventions. It also maintains strong relationships with the ILO, trade unions and employer organizations, and other external partners. Priority areas for the Labour Markets Group include active labour market programs, vocational education and training, income support for the unemployed, industrial relations, informal labour markets, labour standards and child labour.

The WB is particularly interested in working with unions in poverty reduction initiatives. In October 2000, sixty trade unionists from national trade union centres, ITSs, TUAC and the ICFTU, as well as ILO representatives, took part in meetings with the IMF and the Bank. Many subject areas discussed led to new commitments towards trade unions’ positions by WB and IMF officials. Two important developments were:

- both institutions announced that trade unions would be invited to participate in the poverty reduction process introduced by the IMF/WB one year ago;
- a WB official stated that the Bank is currently reviewing its procurement documents and is considering upgrading labour clauses contained in the Standard Bidding Documents for the Procurement of Works from "recommended" to "mandatory".  

**International Finance Corporation (IFC)**

The IFC is the lending and underwriting affiliate of the World Bank, whose clients are in the private sector, not government. Following broad international consultations, the IFC developed policy on harmful child labour and forced labour; it has also developed occupational health and safety guidelines. Project proposals to the IFC undergo environmental and social assessment, and projects must include mitigation measures where necessary. Companies receiving loans are required to file an annual monitoring report to the IFC, and for sensitive projects, such as resettlement, environmental and privatization projects, the IFC may undertake an annual supervision mission. The IFC is beginning to study how to apply non-discrimination and freedom of association and collective bargaining standards.

**International Monetary Fund (IMF)**

The IMF has indicated it will encourage the observation of core labour standards in member countries, but does not want core labour standards to become an object of IMF conditionality. In 1998-99, labour issues were included in the development of new programs with Mexico and Brazil, and were raised in the context of monitoring existing programs, including those in Korea, Indonesia and Thailand. The Fund has recognized the need to consolidate an integrated approach to economic and social policy, including stronger collaboration with other international organizations like the ILO. The ILO is an observer on the International Monetary and Financial Committee.
A seminar on "The Role for Labour Standards in the New International Economy," co-sponsored by the IMF, World Bank, and the AFL-CIO, was held during the Bank-Fund annual meetings in 1999.

**Asian Development Bank (AsDB)**
The Asian Development Bank undertook a preliminary study of how it could address labour standards in its activities in 1998. More recently, in the wake of the Asian financial crisis, the Bank moved to design a framework for operations on social protection and social safety nets. According to the 1999 Annual Report by the US Department of the Treasury to Congress on "Labour Issues and the International Financial Institutions," the Bank has commissioned a study to examine the structure of labour markets and labour regimes in Indonesia, Korea, Laos, Malaysia, the Philippines and Thailand. The study is to consider how best to incorporate core labour standards into Bank policies and programs, and improve member country performance on ratified ILO conventions. A 1999 AsDB study on the social consequences of the financial crisis, however, contains no discussion of labour standards, and only briefly refers to the role trade unions played in Korea and the Philippines in reaching agreements with employers to avoid layoffs and strikes.

The Bank, with the ILO as Executing Agency, is funding a regional technical assistance program to strengthen the role of labour standards in sustainable economic and social development within the AsDB and member countries. The program is aimed at improving awareness among policy makers on the costs and benefits of labour standards and the economic and social implications associated with their implementation.

AsDB-supported projects that promote good labour practices include five projects in China, in the period 1998-99, which stipulated protection for worker welfare, including construction safety and health, in covenants in the loan documents.

**Inter-American Development Bank (IDB)**
Following the WG model, the IDB has recently established a working group involving equal representation from the Inter-American Regional Workers Organization (ORIT, the regional organization for the Americas of the ICFTU) and the Bank. At its first meeting in August 2000, the working group discussed what kinds of initiatives the Bank could undertake to strengthen unions in the region, and identify potential areas for joint activity, including a study of the impact of WB programs on core labour standards. A longer term goal is to bring in the ILO and OAS into the working group, since both organizations are expected to become more active in the region.

The Inter-American Investment Corporation (IIC), the private-sector lending affiliate of the Inter-American Development Bank Group, has adopted a policy that prohibits the use of harmful child labour and/or forced labour in projects it supports. The policy further stipulates that projects
should comply with national labour laws of host countries.31

African Development Bank
A 1998 Bank position paper found a "direct link between the principles underlying the (core labour) standards, and the Bank’s fundamental development objectives”, noting that standards are "intertwined with the cross-cutting programmes on poverty alleviation, gender, governance and democracy." On freedom of association, the Bank concluded that effectively functioning employer and worker associations play a key role in governance issues and democracy, an important issue for the Bank: "…These types of organizations create a focus for the coalescing of opinions and values related to democracy and governance. They also serve as a means of articulating and disseminating views and awareness, which can diffuse within the society. When well-structured, assisted and trained, they can help to create positive countervailing power which is crucial to the democratic process, and which helps in diluting dictatorship and promoting accountability and participatory approaches."

The Bank has identified the following strategies and arrangements to implement core labour standards:

- Country Strategy Papers (CSPs) are to include discussion on labour standards with the social partners (government, labour and employers’ associations, NGOs) and a section of the CSPs is to be devoted to a review of institutions, policies and programmes, legal framework, implementation progress, problems and future prospects on the theme;
- Industry Sector Policy is to pay close attention to issues contained in labour standards, including mechanisms for implementation;
- Education sector policy is to take into consideration issues relating to education and training in all aspects of core labour standards, since they are relatively new issues in regional member countries, and many stakeholders may have little or no formal education; it also notes that an educational programme covering near or all primary age children will play an important role in undermining child labour.
- The cross-cutting themes of gender, environment and poverty alleviation are to incorporate relevant aspects of labour standards in their policies and guidelines. For example, gender policies should have a section on equal opportunity for employment for women, equal conditions of service and equal chances of upward mobility, and on sexual harassment.

The Bank works with the ILO, particularly in connection with the International Programme for the Elimination of Child Labour (IPEC), the Interdependent Action Programme on Privatization, Restructuring and Economic Democracy, and the Jobs for Africa Initiative.

In a September 2000 progress report, the Bank noted that new Country Strategy Papers contain a section, as a standard component, that focuses on ratification and implementation of international
labour conventions, collective bargaining rights, gender and discrimination issues in work, and child labour. In addition, relevant Bank policies and guidelines developed or approved during 1999/2000 contain sections on CLS.

**Actors in Promoting Labour Standards**

**Trade Unions**

Trade unions in industrialized countries engage in development activities at national and international levels. Some programs are conducted through international sectoral trade union organizations (such as ITSs) and may be supported by public funds when national trade union federations or centres have access to such funds. This is the case in Canada, the US, Japan and most countries in Western Europe. Some national centres, for example, Norway, conduct projects directly through their international departments, while others have specialized agencies, as in Sweden, Denmark and the U.S. As well, there are some large national unions that conduct bilateral cooperation programs, for example, UNISON in the UK.

The ways of working vary, with some engaged in bilateral approaches and others preferring to emphasize multilateral partnerships; some emphasize humanitarian aid and employment creation projects, and others concentrate on institution-building aimed at changing power relationships in societies.

With a few exceptions, the trade union movement as a whole is the most democratic institution in society, and the only democratic international movement worldwide. A healthy trade union movement is both an indicator and supporter of broader democratic structures:

- All trade unions have a clearly defined constituency – the membership, to whom the leadership is accountable.
- All trade unions have a leadership elected at regular intervals by representative governing bodies. This leadership may lose the next election, and is sometimes subject to recall.
- Union accounts are usually public, audited, and available to the scrutiny of the membership and the general public.
- The consequences of union policy are immediately felt by the membership (in the form of good or bad collective bargaining results); monitoring and evaluation takes place constantly, at the workplace to start with and more formally in frequent meetings of elected governing bodies.

The following are some of the major international union organizations, together with some and examples of their activities.

**International Confederation of Free Trade Unions (ICFTU)**
Founded in 1949, the ICFTU represents the collective interests of some 124 million members in 213 trade unions from 143 countries and territories around the world. There are three regional organizations that are part of the ICFTU: AFRO, in Africa, APRO, in Asia, and ORIT, which draws in the Americas, Canada, the United States and the Caribbean region. The Canadian Labour Congress is presently president of ORIT.

Based in Brussels, the ICFTU has offices or representatives in Geneva, New York, Washington DC, Hong Kong, Bosnia, and Moscow. The ICFTU has consultative status with the ILO, and is recognized as a representative body within the United Nations, its regional bodies and specialized agencies.

Its aims are to:

• defend and promote universally recognized trade union, labor, and human rights;
• campaign for the eradication of child labor;
• assist trade union development and maintenance, particularly in developing nations;
• improve living and working conditions;
• advance democracy, full employment, and social security;
• combat all forms of worker discrimination and exploitation; and
• advance social and economic development and justice.

The ICFTU holds consultative status with the United Nations, its Economic and Social Committee (ECOSOC) and its specialized agencies. In addition, the ICFTU represents its affiliates in meetings with international institutions such as the International Monetary Fund (IMF), the World Bank (WB), and the World Trade Organization (WTO).

In recent meetings with the WB and IMF, the ICFTU raised issues relating to poverty reduction, core labour standards and international financial reforms, and pressed the Bank and IMF to meet regularly with employers’ organizations and unions, both nationally and internationally. In the Spring 2000 meetings of the IMF and World Bank, the ICFTU, the International Trade Secretariats (these are individual union internationals representing different industry sectors) and the Paris-based Trade Union Advisory Committee to the OECD (TUAC) called on the Bank to include the following social components in their dialogue with governments:

• social protection, and social safety nets including retirement pensions, unemployment benefits, child support, sickness and injury benefits;
• programmes aimed at maintaining and enhancing school participation, especially for girls, spreading the availability of health care, and eliminating the worst forms of child labour;
• ensuring that labour market reforms are based on respect for core labour standards and draw on the ILO’s competence in the development of institutional frameworks for collective bargaining and labour law.35
More recently, in October, the ICFTU called on the WB and IMF to extend the programmes for the Highly Indebted Poor Countries (HIPCs) to a greater number of countries, while including fundamental workers' rights as a requirement to qualify for the HIPC initiative. The ICFTU also issued a strong call for cooperation to combat HIV/AIDS, urging the Bank to include trade unions in Bank activities regarding HIV/AIDS. The ICFTU also called on both the IMF and WB to establish better participation of all sectors of civil society, including trade unions, in consultation procedures.36

**ICFTU and HIV/AIDS in Africa**

At an African labour conference organized by AFRO/ICFTU in September 2000, African trade unions declared their intention to use the workplace as a launching pad for a reinvigorated war against the AIDS pandemic. Areas identified for action include training, awareness-raising, and protection against arbitrary dismissal of HIV/AIDS victims through collective agreements. Senior officials from trade unions in 40 African countries as well as representatives from UN agencies participated. The CLC, with the assistance of CIDA, supported the conference, sending a representative, and maintains a continuing interest in this initiative.37

**Gender Equality Initiatives**

A major element for encouraging women to be active in the ICFTU has been the specialized training programmes for women in developing countries. In 1992, a new gender awareness training programme aimed at both men and women was developed, as women felt they were often seen as a threat by male colleagues and were being marginalized. The "Positive Action Programme on Women in Development Cooperation" sets a minimum target figure of 30 per cent for participation by women in all trade union activities in international cooperation, at national, regional and international levels. A pilot project is now underway in 15 countries in the Asia, Pacific and African regions for male and female union officials.38

**Child Labour**

Child labour is on the agenda of all trade unions. The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Associations (IUF), for example, recognizes that child labour is both the result of societies facing extreme poverty as well as a factor that reinforces the continued underdevelopment of these societies. It argues that strengthening of the labour movement contributes to social development, and is an essential pre-condition to eliminating child labour. The IUF has developed a Model Collective Agreement Concerning Prostitution Tourism for negotiation between employers and unions in the tourism sector. The agreement commits hotels to refuse to do business with travel agencies or tour operators identified as having connections with child prostitution, and to encourage employees to report to their union any requests to do with prostitution tourism so that the union with management can consider options for discouraging such requests. 39
The Trade Union Advisory Committee (TUAC)

The TUAC acts as an interface between 55 trade unions from 29 developed nations and the OECD—the CLC is a member of the committee. The TUAC has consultative status with the OECD and various specialized agencies within the OECD structure. TUAC’s primary goals are to effectively represent the interests and views of its affiliates in inter-governmental discussions, such as the G7 Economic Summits and Employment Conferences, and to advance the social agenda in economic policy debates. Areas of TUAC’s recent work include structural adjustment and labor market policies, the impact of globalization on employment, education and training, multinational enterprises, OECD relations with non-member countries, particularly countries in Eastern Europe and Asia, and now, with growing significance, environment, sustainable development, and the globalization of information.

International Trade Secretariats (ITS)

ITSs are among the oldest international trade union organizations, and are industry- or sector-based. All the LIDC members, as well as many non-LIDC unions, are affiliated to the ITSs. There were 33 international organizations at the end of World War I, but, through a process of mergers, which reflect both changes in multilateral ownership, changes in the organization of work, national union mergers and the need to rationalize scarce resources, the number now stands at around 10. The ICFTU and ITSs share similar values and cooperate on that basis. They frequently organize joint campaigns, and work together on complaints to the ILO against the violation of trade union rights.

Canadian Trade Unions -- Partners in Development

Canadian unions are active players in international development cooperation initiatives. The Canadian Labour Congress (CLC) and affiliates with special Labour Funds (international development and solidarity funds) work together for funding purposes and cooperative activities as the Labour International Development Committee (LIDC). The LIDC is a special committee of the CLC, formed in 1995 as a mechanism for labour to collaborate with CIDA in a coordinated fashion. CIDA contributes to activities of the LIDC, but much programming is done by the unions outside the agreement with CIDA. Each participating union has its own development cooperation fund, and decisions about projects are made independently.

The goals of the Labour International Development Committee (LIDC) are to:

- assist in building strong, self-reliant and democratic labour organizations, capable of promoting and defending workers’ rights and interests; and
- further the social and economic well-being of working people generally through projects undertaken with both social and labour partners.
The CLC has been involved in international development since its founding in 1956. The Labour Funds were established by five of its affiliates more recently, beginning with the Steelworkers Humanity Fund in 1985, when it helped raise money for the Ethiopian famine, and decided that it needed capacity for ongoing international development work beyond crises. Today, there are six LIDC partners: the CLC; the Canadian Auto Workers Social Justice Fund (CAW-SJF); the Canadian Union of Public Employees Union Aid Fund (CUPE–Union Aid); the Communications, Energy and Paperworkers Union of Canada Humanity Fund (CEP-HF); the Industrial, Wood and Allied Workers of Canada International Solidarity Fund (IWA–ISF); and the Steelworkers Humanity Fund (SHF). Each has implemented an independent programme of partnership and development education, and as well they cooperate in some partnership and development education activities. In addition to the unions forming the LIDC, the Ontario Secondary School Teachers Federation has created the OSSTF Humanity Fund, and the Canadian Union of Postal Workers has established an international cooperation fund.

The Funds have been developed through the collective bargaining process. Individual local bargaining units negotiate worker-employer contributions of a cent or two an hour for the support of aid and development. The unions that have established Funds jointly represent over 800,000 workers. By 1998, approximately 150,000 of those workers were contributing. Together, the LIDC is contributing $2.5 million to development cooperation initiatives over a three year period (1999-2002) under a CIDA-assisted program of support to labour institutions and programmes. CIDA contributes $5 million to the program. The Funds also finance and support many other international relief, development and solidarity activities on their own, without any assistance from CIDA.

Canadian Labour Congress

The CLC advocates for a labour-oriented perspective on issues of labour standards and human rights, good governance and democratic development, social dimensions of structural adjustment, labour markets, adjustment and training in economic restructuring and social charters and free trade. CLC executives serve on the executive of the ICFTU, as well as serving as the current president of ORIT. CLC Secretary-General Nancy Riche chairs the ICFTU World Women’s Committee. The CLC is actively engaged in preparations by the ICFTU for the 2001 UN conference on racism, playing a lead role in developing a trade union position to the conference. In addition, the CLC contributes strongly to ICFTU initiatives in occupational health and safety and the environment.

Established in 1956, the CLC became involved in international work the following year when it set up an International Activities Fund to provide support to the labour movement in other countries. Over the years, two types of international activities came to be supported within the CLC:
• policy research, writing papers and letters of support based on positions taken by the Canadian labour movement, and solidarity activities in support of international labour on current issues;
• international development projects with trade unions or labour centrals in developing countries.

Until 1982, the CLC funded projects being implemented by the International Confederation of Free Trade Unions (ICFTU). In 1982, while continuing to fund ICFTU projects, the CLC hired five project planners to provide technical assistance to national labour centrals in order to help them strengthen their organizations and develop project proposals for consideration by the ICFTU. The planners were located in Latin America, anglophone and francophone Africa, Asia and the Caribbean. Though their salaries and office expenses were paid by the CLC, the planners were supervised by the ICFTU.

Following a decision in 1987 to implement its own development program, the CLC took over management of its field staff and began to fund its own bilateral projects. By early 1988, the organization was supporting 93 projects in 34 countries. Field staff ran small trade union education projects in their regions and continued to provide technical assistance to national labour centrals. While the CLC continued to work with multilateral partners, its focus after 1987 shifted to bilateral activities.

Since the CLC began managing its own program, demand for its international development experience and expertise has grown steadily, particularly in the area of health and safety and in the promotion of women and women’s issues in unions. Increasing globalization and economic integration in the western hemisphere have increased demands on CLC programs in Latin America and the Caribbean, while the unique relationship between the CLC and unions in Africa has created an opportunity for it to play a key role in the democratization process on that continent. Similarly, a shift to multiparty states in francophone Africa and the CLC’s historical role in the region have led to an increase in CLC activities in those African countries. Many of these activities have been undertaken in partnership with the Fédération des travailleurs et travailleuses du Québec (FTQ). During this period, CLC affiliates have also become more involved in development activities, with the creation of international committees in Federations of Labour and Labour Councils.

CIDA first began supporting the CLC’s development program in 1976, with contributions on a project-by-project basis to activities developed with the ICFTU. Support to individual projects through the ICFTU continued until 1988, when CIDA switched to annual program funding of the CLC’s newly established bilateral labour development program. In 1987, the CLC received its first funding from CIDA’s bilateral branches for two projects in South Africa – the Victims of Apartheid Project and the South Africa Labour Education Assistance Program – to strengthen labour education in two key South African labour centrals. The CLC has also played a key role in the Commonwealth Trade Union Council (CTUC) since its founding in 1979 and, in 1992/93, the CLC began administering CIDA’s contribution to the CTUC’s development program. The
Canadian government has been supporting the Congress’s development education activities since 1979, initially through Labour Canada and, later, through CIDA. In addition, the Department of Foreign Affairs and International Trade has supported the CLC’s technical assistance program in Eastern and Central Europe.

The CLC’s development education program, established in the late 1970s, also encourages Canadian unions to get involved in international development activities, through public education programs and exchanges. The CLC’s “Toolbox for Global Solidarity” has been distributed to more than 5,600 people; more than 1,000 activists completed the program in labour schools and 100 instructors have been trained. The CLC also arranges study visits for union activists to come to Canada, where they educate Canadians about the international struggle for workers’ rights.

The following description of the individual Funds includes some examples of their development cooperation work.

Canadian Auto Workers Social Justice Fund (CAW-SJF)

The CAW-SJF, established in 1991, provides solidarity assistance to non-profit and humanitarian projects in Canada and around the world, with a prime focus on Central and South America, Southern Africa and the Middle East. Priority has been given to projects that have a direct union-to-union basis of support, and, in other instances, working with NGOs in the south whose primary focus is the labour movement. The CAW-SJF coordinates much of its project work through the relevant international trade secretariats and their regional offices: the International Metalworkers’ Federation, the International Transport Workers’ Federation and the International Union of Foodworkers.

The Mexican Network of Union Women was established as a direct result of CAW-SJF support. Seeds for the project were sown when two Mexican women participated in the CAW Women Activists' Course. Follow-up project funding was approved for them to develop a leadership course for Mexican union women, and a "train-the-trainer" program to encourage the spread of the women's leadership workshops in Mexican women activists' unions. The training course involved 78 women from 14 unions participating in three six-day training programs in Mexico. A follow-up program reached 23 women from 10 unions. Since then, there have been eight workshops in four unions, plus a training program for municipal work inspectors in Mexico City to help them identify sexual harassment and discrimination against women in the 10,000 workplaces they monitor. The Network participated in three two-hour national television programs, a presentation to the Gender Equality Commission on proposals for labour law changes, and presentations to the first Mexican Women's Parliament, including a position paper on sexual harassment.

The CAW-SJF has also made a major financial commitment to landmine removal in Mozambique, a
country that has been a SJF priority for some time. In the spirit of, and as a practical implementation of, the Ottawa international landmine treaty signed in December 1997, SJF intends to select an appropriate NGO to carry out de-mining in accordance with the interests and priorities of Mozambican institutions. While this is initially a wholly humanitarian effort, the de-mining of Mozambican soil provides future benefits for Mozambican trade unions and civil society as new areas become amenable to agricultural production and greater self-sufficiency.

Steelworkers’ Humanity Fund (SHF)
The SHF was established in 1985 to provide union support for development and solidarity work and aid in response to crises. It funds non-governmental, popular and labour organizations in a wide range of projects. Reflecting the circumstances in which the Fund was begun (the Ethiopian famine of 1984-85), many projects have focused on food security, agricultural production and health. This “basic needs” orientation has broadened over the years, with a greater emphasis on labour development initiatives. Projects frequently feature leadership training, popular research and communications elements. Close attention is paid to their relevance to women. Development education and linkages with partner organizations are also priorities.

The International Labour Resource and Information Group (ILRIG) which receives support from the SHF is conducting research on the effects of Export Processing Zones (EPZs) in southern Africa. The research includes interviewing workers and communities on the effects of EPZs in Walvis Bay, Namibia, and collection of information on conditions offered to companies in EPZs in Malawi, Zimbabwe and Mozambique. The project also includes publications, training workshops, exchanges with maquiladora workers from Mexico, and links with organizations working on establishing “fair trade” and “clean clothes” campaigns. The goal is twofold: to strengthen the capacity of labour and popular organizations to respond to globalization and economic restructuring, and to build alternative policy options in which labour, social and environmental agendas are prominent.

Worker-to-worker exchanges are one response Steelworkers have developed to globalization. In Chile, the SHF course on "Facing Global Management" and a union-to-union exchange program to share health and safety and bargaining information were credited by Quebrada Blanca union executives as decisive in the significant advances they made in their new contract with employer Cominco. Under the exchange program, Canadian workers conducted short workshops on financial management, electronic communications and bargaining. Following this, Quebrada Blanca union executives received an intensive course on "Globalization and Collective Bargaining." The union leadership reported new confidence in dealing with mine management, as well increased respect from mine management.

Communications, Energy and Paper Workers Union of Canada Humanity Fund (CEP-HF)
The CEP-HF, which began operations in 1992, works with International Trade Secretariats (ITSs) and directly with workers’ organizations and social movements in a wide variety of countries such as Southern Africa, El Salvador, Nicaragua, Chile, Mexico and the Philippines. It provides support in three major areas: socio-economic and education projects, and policy initiatives. It has also participated in a number of humanitarian relief efforts.

An example of CEP-HF work is its support for El Salvador energy sector workers. The public sector union of electrical company workers, ATCEL, had a long history of struggle and had survived the period of civil war in El Salvador. Many of its leaders were killed or forced underground. In 1996, the new civilian government moved to sell off the public resource and spin off seven new privatized companies. Unionized workers responded quickly. When its efforts to mobilize public opinion against privatization failed, the union turned its efforts to organizing workers in the seven new companies. A new union federation was formed, STECEL. With training provided over several years by CIDEP, a local NGO, and support from the CEP Humanity Fund, the union ensured the presence of capable leaders in each of the new companies. While some of the current leaders have many years’ experience, others are new to the labour movement. The new company-based unions are united in the sectoral organization STECEL, which provides a base for coordinated strategies for bargaining. The energy workers continue to speak with one voice on issues of working conditions and the situations facing their sector.

Canadian Union of Public Employees Union Aid
CUPE Union Aid is one of the newer funds, established in 1993. It has great potential as CUPE is Canada’s largest union. CUPE Union Aid has been engaged in promotional work to make the fund known through the union; its relevance has already been established through its role in helping its South African union partner fight against apartheid. CUPE worked closely with the National Education, Health and Allied Workers Union leading up the victory of the ANC in 1994.

Through the Saskatchewan-Chile Solidarity Project, women in the Confederation of Health Workers (CONFENATS) of Chile are being assisted by Saskatchewan health care workers to develop and delivery leadership training workshops for female rank and file members of CONFENANTS. The project includes visits and exchanges of videos between health project participants in Chile and their counterparts in Saskatchewan.

Industrial, Wood and Allied Workers of Canada International Solidarity Fund (IWA–ISF)
The IWA–ISF is the newest fund, established by resolution in 1996; it became a member of the LIDC in 1998. Its first major project, following a number of exchanges with the National Confederation of Forest Workers of Chile, has been the establishment of an educational training centre in Chile. An IWA local member instructed a train-the-trainers course, which has resulted in courses being presented in turn by the participants.
Instruments to achieve better labour standards

International conventions
The conventions of the ILO are agreed by the International Labour Conference, and are binding on all member states which ratify them. Since member states are represented by the three sectors (workers, employers and government), theoretically, the sectors should be capable of implementing them. The four "core labour standards" in the ILO Declaration are binding on all ILO members, regardless of whether they have ratified the conventions to which the Declaration refers. For this reason, the ILO has renewed efforts to offer technical assistance to member states, to assist in their implementation. There are no formal sanctions on countries that fail to implement ILO Conventions, and, since adoption of conventions is usually voluntary, different governments have committed to different conventions. Canada, for example, while bound to the core labour standards in the ILO Declaration, has not ratified Convention 98 (right to organize and collective bargaining).

National legislation
National labour legislation, usually in the form of a labour code, is the mechanism that translates core labour standards into reality on a day-to-day basis. A major gap in coverage provided by much national labour legislation is the lack of protection for informal sector and some other categories of workers, such as migrant workers.

Effective implementation of labour legislation depends on the existence of a work environment in which the three partners -- government, workers and employers -- have the obligation and capacity to understand, implement and enforce that legislation. In the absence of sufficient numbers of trained and impartial labour inspectors, for example, it becomes difficult to enforce labour laws that provide protection for workers. Trade unions and workers need to understand both their rights and obligations under the terms of collective agreements. Employers need to understand and respect their rights and obligations to workers and government. The ILO offers technical support to national labour ministries in drafting labour legislation that will be in conformance with ILO conventions, and also collaborates with trade unions and NGOs in capacity-building initiatives for local trade union officials. In Indonesia, recognizing the importance of capacity-building for government officials, employers and workers on reforms to labour legislation, as well as on collective bargaining and collective agreements, the ILO, the American Centre for International Labour Solidarity (ACILS), and others are supporting training for labour leaders that will hopefully support the broader democratization process, stability and economic development.

Collective agreements set out the terms and conditions of employment between employer and employee. Agreements may also address wider issues such as entitlement to social security
benefits. Collective agreements, however, do not apply to informal sector workers, since there is no employer-employee relationship. The social and economic benefits of a formal collective bargaining process in lieu of violent wildcat strikes as a means of resolving conflict is evident.

**Government procurement and contracts**

Government departments can adopt "harder" and "softer" approaches with their suppliers of goods and services. These range from requirements to be transparent and "willing to talk," to the need to satisfy conditions laid down by the funding organization with sanctions for non-compliance. The ILO *Convention 94 on Labour Clauses in Public Contracts*, which has been ratified by 58 member governments, provides for governments to ensure industry or national standards for wages, hours, terms and conditions and health and safety are applied when employing labour to service government contracts. 42

The LIDC has proposed that CIDA integrate ILO core labour standards in its processes by including a labour standards clause, based on the ILO Declaration, in all its contracts and contribution agreements. As well, it has suggested that a similar clause be included in RFPs and in projects submitted to responsive programs, to encourage and reward proposals which include clear plans to implement standards.

**Voluntary regulation in the private sector**

**Codes of conduct**

Voluntary workplace codes of conduct are a form of self-regulation for multinational corporations. They contain written statements of principles specifying the labour standards that must be complied with either by suppliers or other components of the company. The most common areas that codes of conduct address are labour standards, environmental protection and human rights. Other mechanisms include social labelling programmes, involving the use of a label or logo to indicate the product has been produced on the basis of certain standards.

Codes of conduct for international business activity are not new. In the 1970s, concern led two international organizations to adopt such codes: the ILO *Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy*, and the OECD *Guidelines for Multinational Enterprises*. These were aimed at protecting the sovereignty of countries by defining the responsibilities, including social responsibilities, of international business. 43

Codes of conduct may be differentiated by their content, how they are applied, who administers them, and their industrial coverage. 44 "Operational codes" apply directly to the enterprise or their direct partners, and may involve monitoring or reporting systems by subscribers or outside parties. A recent ILO study identified more than 200 such codes, of which 80 percent were developed by multinationals. 45 "Model codes" are those issued by enterprise associations, trade unions, NGOs
or governments for others to use as a basis for developing their own codes. Examples include the Business Charter for Sustainable Development, of the International Chamber of Commerce.

Codes of conduct can be distinguished on the basis on which party initiates, administers and monitors the code: private enterprises or enterprise organizations; workers organizations; NGOs; professional consultants, auditors or educational enterprises. Public sector involvement in the development and implementation of codes of conduct can provide a stimulus and broader range of support to the initiative. Examples include the 1996 Apparel Industry Partnership in the US, which set criteria for global sourcing of American multinationals in the clothing and footwear industries, and the 1998 Ethical Trading Initiative (ETI) in the UK. The ETI is a grouping of NGOs, consumer organizations and business representatives that provides a forum for discussion, training and dissemination of best practices. It receives financial support from the UK aid agency, DFID.

Codes can also be categorized according to the production chain of goods and services. "Vertical" codes apply to an entire production chain, for example, in the clothing, footwear and toy industries, which are usually headquartered in developed countries and outsource production to subcontractors in developing countries. If consumers are included in the chain (as the final destination of the product), consumer-driven initiatives such as social labeling, and investor-driven initiatives such as socially responsible investing, could be considered in this context. Horizontal codes, on the other hand, apply to a specific industrial sector, where leading companies initiate policies in their operations and apply them across the industry. Examples include the chemical or pharmaceutical industries.

The effectiveness of a corporate code of conduct as a mechanism to improve conditions for workers is controversial: how should a code be developed, and by whom; how should codes be implemented, monitored, and by whom; what is the impact of one company's "good practice" in the broader economy? Are there some sectors, such as high quality sports shoes, where a code of conduct might have more impact than at facilities producing low-cost, low-skill merchandise? How can codes be used to empower workers, particularly in countries where trade unions are banned? Trade unions often stress that codes of conduct cannot substitute for union organization, and that monitoring is done most effectively by union organizations in the workplace.

How can codes of conduct be implemented in a way that does not jeopardize the situation of workers further down in the supply chain: the informal, home-based workers, who are usually women? In an effort to conform with terms of a code, suppliers may eliminate outsourcing to home-based workers, thereby depriving them of work. Strict adherence to the terms of a Western-drafted code of conduct that does not reflect input from the workers affected can be disastrous to the workers themselves – for example, when a retailer switches suppliers because of non-conformance to a code. Some of the better new codes contain clauses requiring companies to take a “continuous improvement” approach and terminate business only where serious breaches of
the code persist. They also require transitional economic assistance for children found working. Labour organizations and many activists also advocate that the workers themselves must be involved in developing a code of conduct, to ensure that the code actually addresses workers' priority concerns.

Codes of conduct can play a role in capacity building for workers to develop and strengthen associations. In countries where trade unions are not permitted, voluntary participation on health and safety committees established in connection with developing a code can be a forerunner to freely established worker associations. There can be potential for creative and constructive partnerships between corporations genuinely concerned about improving working conditions, NGOs and workers when a code of conduct is created not solely by outside experts, but by the workers themselves.

Framework agreements
Some of the obstacles to negotiated codes can be overcome and some advantages gained by distinguishing between framework agreements and unilaterally-adopted company codes of labour practice. A framework agreement is an agreement negotiated between a multinational company and an international trade union organization such as an International Trade Secretariat (ITS) concerning the international activities of that company. Although an international code of conduct can be part of a framework agreement, the main purpose of a framework agreement is to establish an ongoing relationship between the multinational company and the international trade union organization. The International Federation of Building and Wood Workers (IFBWW) has signed framework agreements on workers' rights with transnational companies such as IKEA (furniture), FABER-CASTELL (pencils), and HOCHTIEF (construction). Under the terms of the agreement with IKEA, all suppliers and manufacturing companies owned by IKEA are asked to ensure that their working conditions at least comply with national legislation or national agreements. Suppliers must also respect all ILO Conventions and Recommendations relevant to their operations. This means that child labour is prohibited and that workers have unrestricted rights to join trade unions and to free collective bargaining. The agreement covers almost a million workers in 70 countries.

The Global Compact
On January 31, 1999, at the World Economic Forum in Davos, Switzerland, UN Secretary-General Kofi Annan challenged world business leaders to "embrace and enact" the Global Compact, both in their individual corporate practices and by supporting appropriate public policies. The Compact's nine principles address issues in human rights, labour practice and the environment. Principles 3-6 specifically focus on core labour standards. A partner in the Global Compact, the ILO has published a study that provides information to companies on how to actualize the nine principles.

The ICFTU supports the Global Compact as fulfilling a critical need for global social dialogue
between enterprises, trade unions and NGOs. It observes, though, that “moral authority from international institutions and voluntary initiatives from companies to protect the rights of the poor and the weak do not balance out binding rules being established at the global level to protect the rights of the rich and the powerful.” Some ICFTU member unions and NGOs, however, remain uncomfortable with a compact between the UN and corporations which they feel excludes civil society.

**Partnerships between trade unions and NGOs**

The natural partners of Canadian unions are their union counterparts in developing countries, but unions are increasingly returning to their roots in the form of social movement unionism. They work frequently in alliance with NGOs on a wide range of issues, particularly on human rights issues. Cooperation has also developed on environmental issues, corporate accountability, and international trade and development issues, for example, several ITSs collaborated with Oxfam International in pushing for debt relief for education during the G-8 summit in Cologne and the International Union of Foodworkers works with the Pesticide Action Network.

The CLC and the Labour Funds are active members of several non-governmental development cooperation organizations or committees in Canada. These include the Canadian Council for International Cooperation (CCIC), the Middle East Working Group, the Americas Policy Group, Common Frontiers, the Ethical Trade Action Group (ETAG), and the NGO Committee on Nigeria. The CLC also cooperates with Rights and Democracy in Montreal.

Canadian unions also cooperate with Canadian NGOs in relief and development projects. The CAW-SJF, for example, is supporting the anti-landmines action program in Mozambique. This program is carried out by the Mines Action Program of COCAMO (Coopération Canada-Mozambique), a coalition of Canadian development agencies, church groups, labour social justice funds, and solidarity groups that has been supporting just and sustainable development projects since 1998.

In developing countries, Canadian unions also work in partnership with NGOs. The CEP Humanity Fund has developed partnerships with labour movement NGOs working in the free trade zones in Mexico and Central America. In some instances, these organizations are working to organize unions where there are conflicts between the traditional trade union movement and women and young people who are being introduced into the industrial economy. Two examples of union-NGO cooperation follow.

The SHF works with the UBINIG Centre for Trade Union and Development Education (Sramabikash Kendra) in Bangladesh, an information and advocacy center on labour movement and development issues. In the particular project supported by the SHF, UBINIG monitors and
campaigns on conditions of work in the garment sector (e.g. child labour, fire accidents); the effects of privatization in the jute and textile sector; and working conditions in the unorganized sector.

In Peru, the SHF supports a project of CEDAL (Centro de Asesoría Laboral Peru) which works through their Homemakers’ Committees to address the economic emergency created by loss of jobs and declining salaries in the mining sector. The project develops the skills of women in small and micro production endeavours.

National Governments/Bilateral Donors

Discussion at the national level on integrating core labour standards in development cooperation programs takes various forms and derives in part from a view that development cooperation agencies hold similar goals to those of the national donor government, which has an obligation to promote the ILO Declaration. Where development agencies are integrated in foreign ministries, as in the Netherlands and Norway, there appears to be greater coherence between policies and strategies of those agencies on labour issues.

Discussion and activities integrating core labour standards in development cooperation policy and projects are at different stages in the agencies, reflecting different histories and mechanisms of consultation and collaboration with trade unions. In the Netherlands, the VMP (the Trade Union Co-financing Programme of the Dutch government), was established in 1975. In the United States, national workers' rights legislation was extended to USAID in 1993.

Mechanisms linking donor agencies with national trade union structures vary. In many countries, core labour standards are largely devolved to union/NGO bodies which receive some support from the agency. In the Netherlands and Norway, other government ministries also contract trade union/NGO structures on labour and development initiatives.

The Danish development agency considers core labour standards as an "environmental" concern, that is, as essential for a sound "working environment". This approach to core labour standards supports greater policy coherence and integration, and also puts CLS on an equal footing with other, physical, environmental concerns. DANIDA has made labour standards a cross-cutting issue, to be included in all programmes, including private sector development.

Many agencies are engaged in labour standards issues of concern to the informal sector (Germany, Netherlands), working in partnership with informal sector trade unions like SEWA. Both countries support projects addressing gender issues in core labour standards, often in collaboration with the ILO.
Appendix 1 summarizes approaches to core labour standards in the development work of the UK, US, Denmark, Germany, the Netherlands, Norway, and the European Commission, and draws substantially from a January 2000 overview of European aid agencies prepared for the UK Department for International Development.

**Next Steps: Suggestions for CIDA**

**Capacity Building**
CIDA can play an important role in fulfilling Canada's obligations to the ILO to promote the *Declaration on Fundamental Principles and Rights at Work* and its Conventions. Since core labour standards is a relatively new area of work for CIDA, effort will be needed to build up relationships with individuals and organizations that are able to promote labour standards. CIDA will also need to develop some internal expertise, a first step undertaken by most of the agencies surveyed in this paper. Some suggestions for CIDA to develop internal expertise are to consider:

- establishing a labour standards group within Policy Branch to act as a labour resource centre for the agency that could develop in-house expertise on labour issues; conduct training on core labour standards for staff, including field personnel prior to their departure overseas; coordinate cooperative initiatives with unions and the ILO, as well as other federal Canadian departments, and carry out related activities. To begin this process, CIDA could consider seconding an expert from the Canadian Labour Congress, a Canadian trade union or worker association, or from the Labour Branch of HRDC;

- establishing a labour standards network involving both relevant branches of CIDA and stakeholders in trade unions, NGOs and related organizations, starting with the participants at the labour standards workshop.

**Policy coherence**
The growing international consensus on the inter-relationship between core labour standards, economic efficiency and growth suggests that agreement and coherence among major international and national actors will be key to the advancement of these goals. Development cooperation agencies have an important role to play in ensuring that the development impact of policies discussed by trade, investment and related agencies remain in the forefront. Discussions in the OECD Development Assistance Committee (DAC), for example, have drawn attention to issues of policy coherence in labour standards, labour markets and immigration. The DAC further notes that a lack of agreement on a list of core labour standards is hindering policy coherence for poverty reduction.

It is suggested that CIDA consider:

- convening an inter-departmental committee on labour standards involving key federal ministries
such as Human Resources Development Canada, the Department of Foreign Affairs and International Trade, and the Industry and Finance Departments to ensure that development concerns are well integrated in broader Canadian policy affecting the labour sector.

- collaborating and coordinating with the Department of Foreign Affairs and International Trade in discussions with national governments about their efforts to implement labour standards.
- participating in discussions about Canadian support for ILO technical assistance programmes, and participating whenever appropriate in ILO Annual Conferences and committee meetings.

**Programming**

With respect to programming activities, the following are suggested:

- CIDA could consider how it might integrate core labour standards in the matrix of issues included in the Comprehensive Development Framework, and include consultations with local labour unions prior to developing a country strategy.
- CIDA could support, in collaboration with the ILO and other partners, regional meetings on CLS to help "stakeholders" in the regions prioritize areas for work.
- CIDA could consider providing stronger support for projects dealing with the promotion of CLS that are initiated by trade unions.
- CIDA could support, in collaboration with the ILO, the training of government labour inspectors as well as labour/worker representatives.

**The private sector**

CIDA’s policy for private sector development in developing countries is motivated by the basic objective of sustainable poverty reduction. It is important, then, that private investors go beyond simply “respecting environmental and labour concerns.” Recent thinking on the role of the private sector in development has put increasing emphasis on corporate responsibility and accountability.

In its consideration of policy and programming to support private sector development in developing countries, as well as in its programmes involving Canadian private sector partners, CIDA could:

- consider ways to encourage private sector agents to maintain workplace standards that comply with ILO core labour standards. For example, CIDA could consider how the ILO’s "voluntary private initiatives programme" might assist the agency and its private sector partners work to this goal.
• establish labour as well as environmental standards and monitor compliance by Canadian commercial interests operating in developing countries which receive support from the agency, either directly, or indirectly through CIDA-supported initiatives of the Export Development Corporation or other federal government programs.

• request Canadian executing agencies in private sector capacity-building projects to include discussion of CLS in their training programs, in particular, practical implications of freedom of association and collective bargaining.

Research
There is also a need for more information and analysis to support a stronger focus on workers’ rights, core labour standards and poverty reduction in the agency. CIDA might therefore consider:

• commissioning comprehensive studies leading to recommendations for a strategy on CLS and poverty reduction, involving consultations with the labour standards network and other key partners.

It was beyond the capacity of this paper to inventory CIDA experiences in supporting worker organizations and labour rights issues, however, we learned of several instances of CIDA regional funds in Latin America and Asia which provided innovative support for labour networks. It is suggested that CIDA:

• consider establishing an inventory of initiatives that have supported the promotion and implementation of CLS in CIDA policy and programme work, including those that have involved trade unions as partners. This could include a “map” of both Canadian trade union and trade union/NGO collaborations on labour standards issues in developing countries.

• support a comparative study of the development initiatives of donor trade unions with a view to developing a compendium of “best practices”. This would also respond to the growing global divergence, rather than convergence toward common sets of institutions and practices.
Appendix 1

Approaches to core labour standards in the development work of other DAC Member States

United Kingdom, Department for International Development (DFID)

The goal of the UK’s development policy is to achieve international development targets to halve the proportion of the world’s population living in abject poverty by 2015. Associated targets include universal primary education, reproductive health care for all, reductions in infant and maternal mortality, and reversal of environmental degradation. DFID has determined that partnerships with trade unions could strengthen their role in promoting poverty reduction, while simultaneously strengthening union organization in developing countries. The department has committed to increasing consultation with trade unions as one way of opening up policy-making to a wider range of civil society organizations.

In a 1999 address to the Trade Union Council (TUC), Clare Short, UK’s Minister for International Development, noted the major contribution of the trade union movement to Britain’s struggle for democracy and social justice in the early period of industrialization. She noted that “globalization is as big an historical shift as was the change from feudalism to industrialization. That earlier shift remade the political and economic landscape of the world. It brought economic growth but unequal benefits…it was the trade unions which realized earlier on that industrialization was here to stay, but that it must be managed…And so it is today. Global economic integration and interdependence is a reality. Our common challenge is to manage the globalization process equitably and sustainably.”

DFID also engages with civil society organizations (CSOs) and trade unions in local consultation processes on its country strategies. It has commissioned several studies to contribute to the development of a strategy for collaboration with trade unions, including a study on Core Labour Standards: Key Issues and a Proposal for a Strategy, and a study on trade union/NGO collaboration, A View of Trade Unions as Part of Civil Society.

DFID has identified three key areas for cooperation with trade unions to forge a partnership for social justice and development: advocacy, development awareness and capacity-building. DFID and trade unions partner in initiatives in the following priority areas: child labour and core labour standards; working with business; and, reaching out to the poorest. In the area of working with business, for example, DFID supports the Ethical Trading Initiative, which brings together trade unions, business (mainly major British retailers) and NGOs to examine supply chains in poorer countries against an agreed code of conduct which includes commitments on labour standards.
In terms of its own contracting practices, DFID's "Social Aspects of Construction Project" aims to ensure that DFID-funded construction projects, which are usually sub-contracted through local employers, promote socially responsible business practices and reflect DFID guidelines on core labour standards. DFID is working on a pilot basis with national governments and unions to ensure that suppliers and contractors comply with a basic minimum code on labour standards and that the site-specific priorities of workers are respected.

**Denmark (DANIDA)**

DANIDA is the development agency of the Danish Ministry for Foreign Affairs. Its development work approaches core labour standards as a cross-cutting issue, to be included as a component in all programmes. In most cases, DANIDA’s work on core labour standards comes under the rubric of ‘working environment’, considered in close relation to external environmental issues. Core labour standards issues are discussed in annual project negotiations with the government of the host country, usually including representatives of the national finance, labour and health ministries.

DANIDA works closely with Danish trade unions on core labour standards through the LO/FTF Council. In 1987, the Danish Federation of Trade Unions (LO) and the Danish Confederation of Salaried Employees and Civil Servants (FTF) jointly established the Danish Trade Union Council for International Development Co-operation, known as the LO/FTF Council, in order to strengthen and expand co-operation with the trade union movement in developing countries. In 1998 LO/FTF became a legal entity with its own statutes and its own employer status.

All LO/FTF projects undertaken in association with DANIDA address at least one of the core labour standards. The LO/FTF’s in-country partners are normally the national trade union centre affiliated to the ICFTU, or one or more of the trade unions affiliated to the International Trade Secretariats. All funds provided by the LO/FTF Council are funded from DANIDA through an annually approved 4-year-revolving framework agreement between DANIDA and the LO/FTF Council. At present the annual amount made available to the Council through the framework agreement exceeds £3.5 million.58

To an increasing degree, Denmark is placing emphasis on promoting business development in the developing countries, primarily through support for the development of the private sector. To date, efforts have been concentrated on developing the Private Sector (PS) Programme under the management of DANIDA, entailing co-operation between Danish companies and firms in developing countries. DANIDA gives support for problem identification, preliminary studies, training, environmental measures, etc. All papers submitted for consideration must comply to ILO core labour standards. The LO/FTF Council represents the trade union movement on the advisory
panel that monitors the programme. The PS Programme currently operates in six of DANIDA’s twenty co-operating countries: Ghana, Zimbabwe, Egypt, Uganda, India and Vietnam.

**Germany, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ)**

The GTZ is a government-owned public-benefit company, using primarily public funding for its operations. Most commissions to the GTZ are placed by the Ministry for Economic Co-operation and Development (BMZ), although work is also carried out for other German ministries, for partner governments and for international organizations.

GTZ’s work in the area of labour and employment policies has until now concentrated mainly on employment creation, promoting self-employment, supporting countries to cope with unemployment and improving the services of national employment offices (especially job-placement, special public work schemes and unemployment benefit schemes). Generally GTZ’s in-country partners are constituted by self-help organizations of informal workers, trades unions, and the country’s Ministries of Labour and Health. The GTZ does not directly initiate contact with a specific trade union outside the context of project proposals elaborated and initiated by governmental institutions.

The GTZ has worked with trade unions in Kazakhstan and in Kyrgyzstan: in both countries they conducted seminars on employment-related issues. Representatives of German and local trade unions participated in these seminars. It should be noted that in German development co-operation it has traditionally been the German ‘political foundations’, such as the Friedrich-Ebert-Stiftung and Konrad-Adenauer-Stiftung, which have worked with the trade unions in developing countries.

In the future the agency would like to intensify its work on labour and social standards. In India, the agency works with SEWA, supporting their efforts in providing poor (mainly informal sector, self-employed) women access to social security schemes. GTZ has supported SEWA in gaining access to group insurance for its members. In Nepal, GTZ runs a project for young people, dealing with aspects of child labour. Within the area of small-scale industry development, GTZ has project experiences in the field of social labelling - the Rugmark Initiative in India - and the social rights of women – SEWA in India. GTZ project activities in the field of social security for the informal sector will be implemented in Venezuela and El Salvador in the next year, specifically covering access to health insurance.

**Netherlands, Netherlands Development Assistance (NEDA)**

NEDA is the development agency of the Netherlands’ Ministry for Foreign Affairs. The Ministry for Foreign Affairs actively monitors national and international discussions on codes of conduct for trade and industry operating internationally, in particular the OECD Guidelines for Multinational
Enterprises. An important element in these discussions is the application of ILO core standards in the transnational conduct of companies. In addition, the Ministry addresses issues relating to core labour standards in global discussions on trade liberalization. Over the past few years, the Ministry for Foreign Affairs has published several policy notes on the position of children, in which extensive attention has been drawn to the worst forms of child labour. Interdepartmental contact with trade unions, employers’ organizations and relevant NGOs is primarily the responsibility of the Ministry for Economic Affairs.

NEDA’s Women and Development Fund finances two ILO projects dealing with ‘gender training’ and dissemination of information on women workers’ rights in Surinam, Honduras, Egypt, Vietnam, Mali, Ukraine, Hungary and Zimbabwe. ‘Training of trainers’ workshops have been set up, aiming to develop a pool of trainers and to address the establishment of national steering committees. Another project supports organizing women working in the informal sector, in agriculture and in the free trade zones. This project is jointly executed by Dutch union federations FNV and CNV. A similar project being executed by the World Confederation of Labour, involving various affiliated unions in the developing world, also receives financial assistance from the Netherlands.

In 1975, the Minister for Development Co-operation initiated a co-financing programme with the Dutch Trade Union federations FNV (non-denominational) and CNV (Christian). This programme provided the union federations with the opportunity to submit proposals to the Minister for financing individual projects. In 1985 the Trade Union Co-financing Programme (TUCP) underwent a radical change due to the decision to adopt a programme-financing model. The following strategic objectives play a central role: strengthening unions, alleviating poverty and promoting human and labour rights. Management of the available funds - including their allocation among the various organizations – is placed completely in the hands of the trade union federations.

In 1994-98, the TUCP’s budget grew from NLG 14.5m (£4.2 million) to NLG 23m (over £6.5 million). FNV receives 70 per cent and CNV 30 per cent of the total budget. The maximum amount of overhead is set at 7.5 per cent of the total budget.

In recent years, the Dutch TU federations have concentrated their efforts on a smaller number of countries. The FNV focuses on developing and maintaining close relations with the ITSs and continental organization such as AFRO. The CNV supports co-operation with the Belgian trade unions by entering into agreements on regional focuses in Latin America. The focus on the informal sector is in its early stages of development. In recent years, research has been carried out on the informal sector – NEDA has asked trade unions to spend 10 per cent of their budget on ‘innovative activities’ concerning the informal sector. Higher priority is being given to strengthening the role of women in trade unions (strengthening of gender expertise and gender mainstreaming). Last year the unions spent almost one third of their TUCP budget on gender-related activities.
Norway, Ministry for Foreign Affairs (NORAD)  
LO Norge (National TU Federation)

NORAD is the development agency of the Norwegian Foreign Ministry. Aside from projects undertaken by the LO TU federation, Norway’s work on core labour standards is organized almost exclusively by the Multilateral Department of the Foreign Ministry and realized through assistance to ILO projects. Of the 40m Krone (£3.1 million) Norwegian budget line to the ILO, around half is directed to projects focusing on freedom of association and collective bargaining; a further quarter is allocated to initiatives dealing with child labour issues. Priority is given to capacity-building projects, including strengthening tripartite infrastructures for consultation and co-operation within the employment sphere.

The national TU federation LO plays a role analogous to the Swedish LOTCO or Danish LO/FTF councils for development work. LO, which has the status of an NGO in Norwegian law, applies to NORAD on an annual basis for project funding: approximately 80 per cent of its projects are funded by the Foreign Ministry through NORAD and LO enjoys a close relation to the agency. However, whereas its Danish and Swedish equivalents exist as ‘Councils’ outside the union body, the Norwegian LO undertakes its development work through an internal unit, the IFS (International Trade Union Solidarity Unit. Priority is given to trade union rights and freedom of association. LO’s work on core labour standards takes two different forms – strategic programmes and bilateral co-operation.

European Commission, DGVIII, Sustainable Development Strategies Department (Social, Human and Cultural Development Unit)

The EU Lomé Convention (IVb) does not refer to core labour standards as defined by the ILO, however, the Mandate to Negotiate (i.e. the preparatory framework for a successor to the Lomé Convention) a New Partnership with African, Caribbean and Pacific (ACP) states mentions core labour standards, noting their importance in two areas:

- within the framework of social dialogue: ‘guided by respect for basic social and labour rights and relevant ILO Conventions including those on freedom of association, collective bargaining, non-discrimination and the prohibition of child labour.’
- within the commercial sphere: ‘confirming the parties’ attachment to internationally recognized labour standards and promoting co-operation in this field.’

Further areas for intervention earmarked by the Mandate to Negotiate are ‘labour-market policies and institutions, especially for information and training, the implementation of legislation guaranteeing workers an appropriate level of protection and basic social rights, and the
improvement of health, safety and non-discrimination, in accordance with relevant ILO Conventions’.

While DGVIII is not yet working on core labour standards, several DGVIII budget lines finance or co-finance (NGO co-financing, human rights, discrimination against children, decentralized co-operation) European NGO projects working on training, institutional strengthening and child labour issues in partnership with trade unions in ACP and Central American countries.

Upon the acceptance of the new Commission, an agreement was reached between Allan Larssen (DGV) and Juan Somavia (ILO) on a new Declaration of Intent between the Commission and the ILO. It is expected that ILO core labour standards will be mentioned in this new Declaration.

**United States, Agency for International Development (USAID)**

US workers' rights legislation was extended to USAID in 1993. Legislation in the 1993 Foreign Operations Appropriations Act prohibited the use of funds for assistance which could contribute to violations of internationally recognized workers' rights, for export processing zones, and for the relocation of US companies where job loss would result from US production being replaced by offshore production. The Overseas Private Investment Corporation (OPIC), which provides insurance and financing for investments in developing countries, is also covered by the same legislation.

While acknowledging the economic efficiency debates surrounding core labour standards, USAID has embraced the value of these standards and supports initiatives that will assist developing countries attain them. Some examples include:

- Support for initial start-up and implementation costs for the Fair Labour Association (FLA), a not-for-profit organization which provides information to the American public on the working conditions under which products they purchase are produced. The FLA emerged from the Apparel Industry Partnership (AIP), formed in 1996 at the urging of President Clinton, as a means to address violations of CLS in the apparel and footwear industry in the US and abroad. In April 1997, the AIP announced a voluntary workplace code of conduct that addressed CLS, and in November 1998, the AIP released the FLA Charter which included details of a monitoring plan for manufacturing facilities.

- Support for the International Labour Rights Fund to develop the capacity of NGOs and trade unions to monitor and report on workplace conditions and employment standards in two USAID-presence countries;

- A five-year commitment to the American Centre for International Labor Solidarity (ACILS,
or Solidarity Centre), which is affiliated with the AFL-CIO, to nurture the development and maintenance of an enabling environment for the adoption and protection of core labour standards. The Solidarity Centre in Bangladesh, for example, includes activities focussed on training the predominantly female workers in the garment industry to use the Bangladesh labour court system to enforce existing laws that protect their basic rights.
Endnotes


7 Preamble, ILO Declaration on Fundamental Principles and Rights at Work


13 What is the link between "rights" and "standards"? The ILO's view of society is that solutions are achieved through social dialogue and consensus-building, and by building coalitions to overcome vested interests. Since there are always conflicting interests, there is a need for rules and regulations. In the ILO's view, **rights** are the basis for participation by labour in society, and **standards** are a means of expressing those rights. Amartya Sen noted in his address to the 87th Session of the International Labour Conference in June 1999, that with its "Decent Work" initiative, the ILO goes beyond a set of goals to be achieved through programming initiatives to embrace a notion of recognized general rights of workers. The rights are not
confined to established labour legislation or to creating new legislation; rather they set the evaluative framework that acknowledges certain basic rights, whether or not they are legislated, as being a part of a decent society.


16 Dan Gallin and WIEGO, "Notes on Trade Unions and the Informal Sector,” presentation to the ILO Bureau for Workers’ Activity (ACTRAV) International Symposium on Trade Unions and the Informal Sector, Geneva, October 18-22, 1999. The definition of an “informal sector worker” is somewhat controversial. WIEGO defines the informal sector as including the self-employed (in own-account activities and family businesses), paid workers in informal enterprises, unpaid workers in family businesses, casual workers without a fixed employer, and sub-contract workers linked to both informal and formal enterprises. Informal workers are not involved in a formal employer-employee relationship and thus are excluded from social protection provided by national legislation.


18 HomeNet Southeast Asia Workshop on Globalization and Informalization: Responses of Homeworkers in Southeast Asia, Bangkok, September 18-23, 2000. The author would like to acknowledge and express appreciation to SEAGEP, CIDA’s Southeast Asia Gender Equity Project, for support to attend this workshop.

19 HomeNet is a network of unions and other associations representing homeworkers.

20 HomeNet and StreetNet, together with SEWA, certain other unions, academic institutions, and international development agencies, have formed WIEGO. WIEGO is concerned with improving statistics, research, programmes, and policies in support of women in the informal sector. It collaborates with the ILO and other development agencies in various initiatives.


26 “Breakthrough for construction workers in World Bank talks,” IFBWW FaxNews No. 170, 11 November 2000, at


29 Ibid.


31 United States Department of the Treasury.

32 The description is drawn largely from Gallin, “"Trade Unions and NGOs", op. cit.

33 Dave Spooner, June 2000. A View of Trade Unions as Part of Civil Society. European Workers’ Education Association, Manchester, UK.


36 ICFTU Online: Trade Unions at the World Bank and IMF, 10/23/00.


The CLC represents the Canadian labour movement, comprising more than 2.4 million workers and 80 national and international labour organizations, internationally.


Ladbury and Gibbons, *op cit*.


This discussion draws from "Development of Guidelines on the Role and Social Responsibilities of the Private Sector", Report of the UN Secretary-General to the Preparatory Committee for the special summit of the General Assembly entitled "World Summit for Social Development and Beyond: Achieving Social Development for All in a Globalizing World", A/AC.253/21. 2/24/00.

ILO documents GB.273/WP/SDL/1 and GB.274/WP.SDL/1.


“Global Compact offers opportunity for global dialogue say world union leaders,” ICFTU Online, 28 July 2000, at

*Gallin, op cit*.

CAW Social Justice Fund, “Solidarity in a world without borders.”

Burke and Kassam, p.30.


56 Ladbury and Gibbons op cit.

57 This section draws from Department for International Development, April 2000. Trade Unions and DFID: Working Together to Eliminate Poverty. Civil Society Department.


59 This section draws from the March 2000 US Agency for International Development Discussion Paper, Trade and Labor: The Role for USAID.