



May 1st Mobilisation update #3



Third in a series of updates in the run up to the Global Unions May 1st Mobilisation

This issue focuses on:

23 April 2003

Respect for all by ending poverty

With 890 million people in the world living in extreme poverty, and 2.8 billion living on less than two US dollars a day, it is clear that globalisation is failing the world's poor.

Two years of economic slow-down has pushed the number of unemployed people to new heights. 180 million people were out of work in 2002. Women and young people have been particularly badly hit by precarious working conditions in the informal economies of the developing world. HIV and AIDS is on the increase, with 90 per cent of those affected living in developing countries.

With poverty and hunger rising, the world is a long way from achieving the Millennium Development Goals – targets for sustained development and eliminating poverty adopted by the United Nations in September 2000.

While globalisation can work for some – providing new jobs, raising incomes, increasing GDP – it does not work for others, as increasing poverty and inequality show. Cheaper goods and services can be to the advantage of consumers, but they can also mean unemployment for people who are rejected in favour of workers in countries where rights are exploited and as a result, wage costs are lower.

Industrialised countries must shoulder a large part of the blame for the poverty and hardship faced by rural workers in much of the developing world. High levels of support for farmers in industrialised countries, particularly in the shape of subsidies for agricultural exports, prevent rural workers in developing countries from making a living from farming.

The International Financial Institutions (IFIs) are partly responsible. Labour market flexibility and privatisation are

key loan conditions of the World Bank and the International Monetary Fund (IMF). The privatisation of essential services in Sub-Saharan Africa has increased poverty, joblessness and ill-health.

The IFIs' concern with reduced labour costs has undermined protection for workers throughout the developing world. This is happening despite the fact that a new World Bank study, published earlier this year, states that trade unions are good for business and good for workers. In practice, the World Bank's and IMF's operations show little support for trade unions. In Croatia and Sri Lanka, for example, the Bank and the Fund have been pressing governments to reduce worker protection.

The World Trade Organisation (WTO) could also do more in the fight against poverty by upholding the fundamental rights of workers. Governments frequently weaken employment protection in the hope of attracting foreign investment. China's entry into the WTO has served to increase the exploitation and low pay of workers worldwide, particularly women workers in export processing zones.

Poverty in many developing countries is compounded by the debt burden. Rises in interest rates have led to countries spending more and more in servicing ever-increasing debt levels. Since 1999, only six countries have had their debts cancelled under the much-trumpeted Heavily Indebted Poor Countries (HIPC) Initiative. More countries should be eligible, and governments urged to make greater progress towards the UN target of 0.7% of GNP spent on development.

The ICFTU and its affiliates will be lobbying for investment in public services and respect for the rights of workers in the run up to the WTO Ministerial in Cancun this September. Respect for all by ending poverty will create more winners and fewer losers from globalisation. ●

What some members of the Global Unions family are planning for this May 1st.

Argentina (CGT): "Respect for Social Security" will be the theme for the activities CGT will organise for May 1st.

Australia (VTHC): The Victorian Trades Hall Council will rally and march for Respect on May 1st. The union will demonstrate against the attempts of the government to restrict union rights in the construction sector.

USA (AFL-CIO): The AFL-CIO, the federation of America's unions, will launch on May 1st a manual on workers' rights and will promote the May 1st mobilisation to its affiliates.

Finland (SAK): The SAK will emphasize the importance of joint global goals in the traditional May 1st speeches and marches, held throughout the country.

Honduras (CTH): Respect for the ILO's basic workers' rights, Quality Public Services and labor reform are the main elements of the marches that CTH organises.

Hong Kong (HKCTU): The demonstrations that the Hong Kong Confederation of Trade Unions organises for "Respect for Workers' Rights", targets both governments and business. The facemasks that protect participants against SARS, will be inscribed with "Solidarity".

Northern Ireland (ICTU-NI): Two weeks of events are planned by ICTU-NI, including a play, a march followed by a family festival, a charity quiz and an evening of discussion about Respecting Diversity Locally and Globally, where Belfast's Lord Mayor and an ICFTU representative will participate.

Italy (CGIL/CISL/UIL): The three ICFTU affiliates in Italy will organise rallies for on respect for workers' rights, peace and social justice in almost a hundred towns, including a National Rally in Assisi and the annual rock concert in Rome, where 600.000 young people are expected.

*Tell us what you are planning!
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Thai garment workers struggle for decent work

The plight of workers in the Thai garment industry reveals how some employers exploit workers in a desperate attempt to secure an advantage over their rivals.

Textiles and ready-made garments used to be Thailand's most lucrative export. In the 1990s as local wages rose in line with the minimum wage, the country's comparative advantage was lost to countries like Indonesia and China where salaries are lower. Some employers responded by relocating production overseas. Others developed the practice of using subcontractors.

The history of the Eden Group, an Austrian owned multinational producing clothes for Walt Disney, Looney Tunes and Power Rangers, shows how workers suffer when employers shift production out of the factory to the home-based worker.

The Eden Group was one of Thailand's leading garment exporters, employing at

its peak more than 4,500 workers. Long shifts, low wage rates and hazardous working conditions were common. A few years ago the Eden Group began to contract out its production, massively reducing labour costs and undermining a fledgling union.

In 1996 the factory closed its printing department and 52 women workers were ordered to move to a sweatshop. The workers refused and were threatened with dismissal. Within two months the company had sacked the bulk of the workforce offering no pay or compensation. Production was moved to private premises and illegal sweatshops, some using child labour.

Sustained union protests in the wake of the dispute have led to improvements to Thai's labour laws. ●

Union reduces poverty among women workers in Burkina Faso

Women market traders are gaining financial security and independence from a business scheme run by a trade union in Burkina Faso.

Burkina Faso is one of the poorest countries in the world. It embarked on a structural adjustment programme supported by the IMF and the World Bank in the 1980s, and the country is eligible for debt relief available only to the hardest-hit countries.

Nearly half the population lives below the poverty line. Life expectancy in 2000 was only 45 years. Sixty per cent of children do not go to primary school. HIV and AIDS are widespread.

The ONSL trade union has set up the Women's Literacy and Small Business Centre in Ouagadougou with funding from other trade unions in Burkina and one in Belgium. The centre offers train-

ing and business advice, as well as shared equipment and facilities, to self-employed women working in weaving, dressmaking, embroidery and soap production. Two cooperatives, in literacy and embroidery, a bank credit scheme and a cereal bank have boosted the financial security of the women.

Hundreds of women have joined the union since the centre opened its doors in 1993. The centre also tackles poor health and education. Women can access advice on family planning, childcare and child health. In a country where few families can afford to send their children to school, the centre also teaches reading and writing to the daughters of traders. ●

Bridging the pay gap in New Zealand

Equal pay for work of equal value is a hot issue for governments and trade unions, as women continue to earn less than men in every country in the world.

Although the wage gap is getting smaller, hourly wages for women workers worldwide are still 16 per cent less than those of men. In the developed world the smallest gap is in Belgium (6 per cent), the widest in Switzerland and the USA (21 per cent). In developing countries the gap can be even wider, leading to low pay and child poverty.

As part of the Global Unions' Women's Campaign: "Unions for Women, Women for Unions"*, New Zealand's Public Service Association (PSA) launched "It's Time!" - their pay equity campaign, on March 8th 2003, International Women's Day.

The union has set a target of halving the pay gap by 2005. National Secretary Lynn Middleton argues that New Zealand is well placed to do this. "Our partnership agreement with the government places us in a good position to achieve a public sector-wide approach to pay equity."

Ending the pay gap is not just about wage rates. "It's also about having affordable quality childcare, financial security when you retire, and a family-friendly workplace that recognises you have responsibilities outside work."

Like union-led campaigns in other countries, the PSA campaign will take action on many fronts: amendments to employment legislation, legal action against employers, decent minimum wages, and collective bargaining. ●

(*)The campaign's theme for this year is:
Pay Equity For All. For more information, go to
<http://www.icftu.org>

What we want to end poverty:

- An end to poverty and the tensions it creates which threaten world peace
- Decent rights and better wages for the world's working poor
- Food for the one billion people who are either starving or malnourished
- Global trade that gives the poor a real opportunity to trade their way out of poverty
- Balanced economic growth to stop inequality that undermines economic growth
- An end to the poverty that worsens child labour and robs children of an education
- Protection for the poor from the crippling consequences of debt and financial crises
- An end to the discrimination that makes women workers poorer than men

