

**32nd IMF World Congress
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ITEM 12

PROPOSED RESOLUTION 5

**Creating a New Trade Framework for Workers
Throughout the World**

**Submitted by the IMF Working Party on Trade, Employment and
Development
to the 2009 IMF Congress**

The 32nd Congress,

Convinced that:

- the deep roots of the current global crisis are in a model of globalisation that has failed workers throughout the world deepening the gap between those who have enjoyed the benefits of growth and those for whom neoliberal globalisation has produced pain and misery. Unbalanced outcomes of trade and investment have increased inequalities within and between countries as most of the growth has gone to the people at the top of society, but for too many people there has been no growth;
- the deregulated structure of finance, with the lack of balance in risk, insufficiency of risk information and reckless expansion of leverage by “laissez-faire” have brought about today’s financial, economic and employment crises. Corporate interests have driven capital market liberalisation and the deregulatory philosophy that is behind it. Finance is increasingly disconnected from activities resulting in real and tangible benefits, like manufacturing, and has thus become a parasite in the real economy, as evidenced by the recent financial meltdown;
- the global economic crisis represents yet another fundamental challenge to workers in both the South and the North: as always, it is the workers who pay the price for incompetence, greed, and, in the case of the current financial crisis, thievery;
- increased wage flexibility and labour market deregulation, together with the weakening of fundamental human and workers’ rights, of social

protection and of progressive taxation systems have worsened the inequalities that are at the root of the present crisis;

Recognising that:

- a sustainable solution to the crisis requires the preservation and the creation of healthy and stable employment, recognition and effective enforcement of all fundamental workers and trade union rights as specified in ILO Conventions and accompanying interpretations, and greater regulation of our financial system, making it accountable to workers throughout the world;
- an effective solution also requires a new trade framework which puts quality employment and development first, is fully transparent and includes worker participation in its development at every step, with strong provisions for the effective enforcement of all ILO core Conventions;
- working families in the North and the South can only benefit from a trade regulatory system focussed on the creation of quality employment, with the promotion of decent work as a specific mandate and requirement for the World Trade Organisation and an explicit objective of trade agreements;
- it is the primary responsibility of trade unions to deal with workers' problems at a national level, taking into account, at the same time, common working class interests beyond borders;
- states have a role to play to save jobs and protect the most vulnerable through a range of different measures; developing countries do not have the resources for stimulus measures and need policy space to face the brutal economic and social impact of the crisis. They may have to adopt targeted and temporary measures by using the trade tools that are available under WTO rules, and this should continue to be permitted;
- countries must have the right to take measures to protect their economy provided that these are not to the detriment of other countries;
- unions have the duty to support measures to protect their members;
- the respect of fundamental workers' rights is a prerequisite in all countries for a fair distribution of income.

Noting the recommendations recently made by the UNCTAD and the Stiglitz Commission, that:

- substantial assistance in the form of grants be provided to developing countries particularly in favour of workers in unregulated employment

without any social protection. This is indispensable not only to avoid human tragedies, but also because there cannot be global recovery if a significant part of the global economy remains weak;

- the IFIs discontinue the use of the lending conditionalities which were imposed after the Asian financial crisis and are part of the causes of today's crisis and even in the midst of it continue to be forced upon vulnerable countries.

Concerned that:

- workers are bearing the consequences of the crisis, and the losses forced on to them are causing dangerous waves of xenophobia and racism;
- the burden of the crisis, particularly job losses, are being felt by workers in developed and developing countries, with most impact felt in poorer countries and by those who are in marginalised sectors of societies;
- the crisis can become the occasion and the excuse for a tragic jobs-rights trade off being forced on workers in developing as well as industrialised countries, with a growing number of women and men precariously employed remaining excluded from fundamental rights.

Congress urges the affiliates to effectively work, together with all IMF structures, to ensure that:

- stimulus measures in support of companies or sectors hit by the crisis be clearly tied to companies maintaining employment levels in all locations and in all countries where they operate;
- the current global crisis not be used to undermine gains in fundamental rights by workers anywhere in the world and particularly in poorer countries;
- adequate assistance be made available to support the economy and the livelihood of workers in developing countries;
- no support be given to dictatorship regimes, nor to those business groups that violate labour laws and that otherwise exploit workers anywhere and particularly in developing countries;
- discussions regarding any trade negotiations, including the possible resumption of the Doha Round, address a new trade framework that incorporates all ILO core Conventions and accompanying interpretations, effective enforcement of fundamental labour rights, consideration of impact on employment in all countries, full inclusiveness and transparency of the trade agenda at all stages of the

negotiation process, meaningful negotiations on developmental concerns, ensuring that the productive basis of all countries, especially developing countries, not be undermined by trade liberalisation particularly at a time of global crisis, and be tied to the parallel beginning of the discussion on the reform of the multilateral trade and finance system.

Congress urges the affiliates to mobilise their membership and effectively take action to influence their governments' policy, and to put pressure on their national centres towards a strong collective response of trade unions to the crisis.

Protecting jobs, promoting fundamental rights, and ensuring the right of all countries to development and to decent working and living conditions for their citizens are a great challenge for the international trade union movement, particularly at a time of deep crisis.

Congress commits the IMF and its affiliates to continue developing, through its Working Party on Trade, Employment and Development, a constructive and transparent debate on these objectives and the complex issues that they involve.