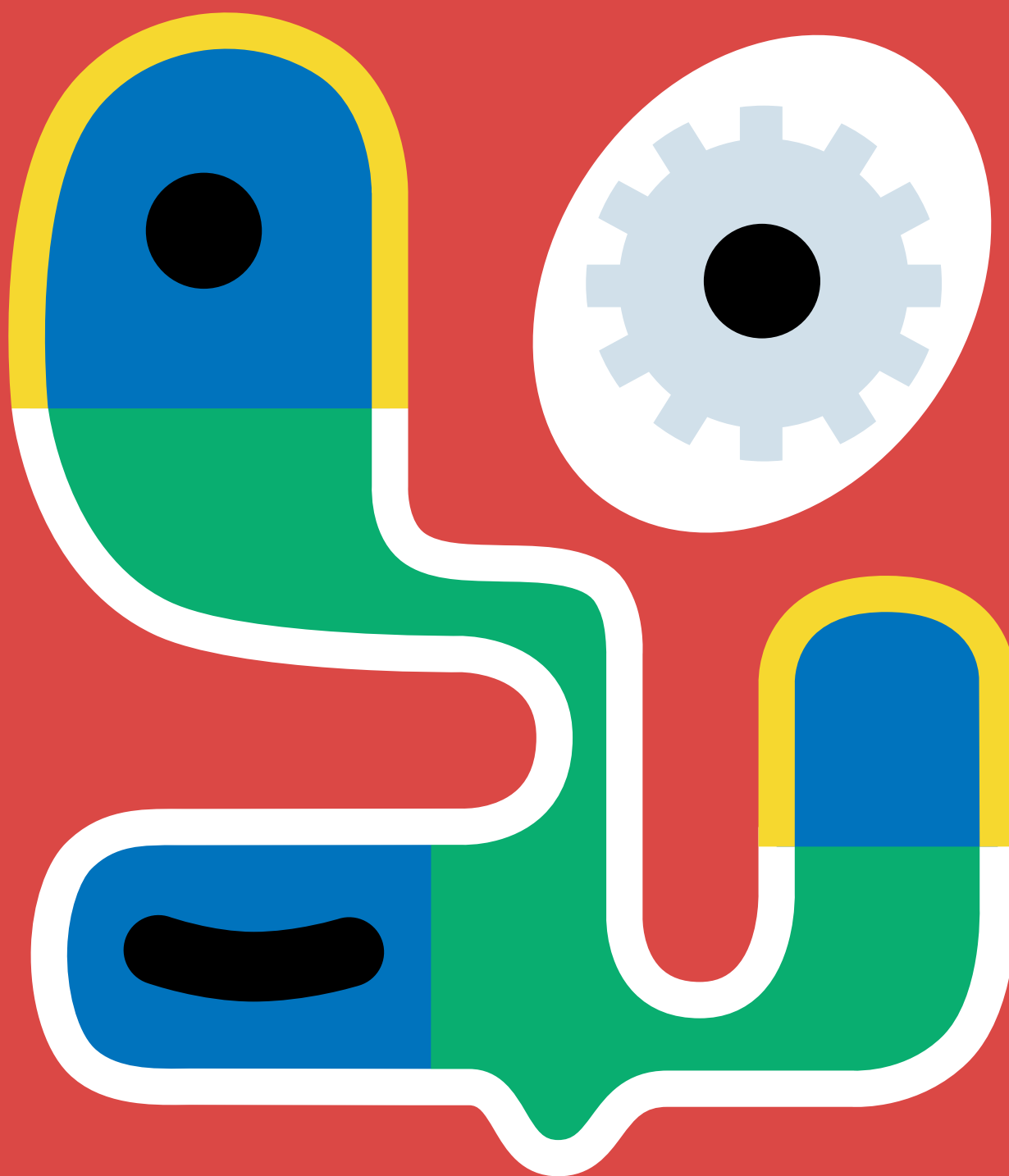


International Metalworkers' Federation  
**Report of the Secretariat**  
**Central Committee Meeting 2003 South Africa**





**Report of the Secretariat  
to the Central Committee  
of the IMF**

**Cape Town, December 3-4, 2003**

**International Metalworkers' Federation**



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## 1. INTRODUCTION

This Report of the Secretariat to the Central Committee is structured in two parts. First there are reports on discussions of the Executive Committee at its three meetings in May and December 2002 and May 2003. The report of the General Secretary and ensuing discussions are put in its entirety, while discussions and conclusions/decisions on other agenda items are abridged. Then, reports by head office teams and regional & project offices on their activities are organised according to the Action Programme goals set by the Sydney Congress, under three broad headings: global structures to meet global challenges; solidarity and organising; and a social dimension to economic globalisation.

At the Executive Committee which met on 16 May, 2002 in Geneva, discussion after the Report of the Secretariat focussed especially on US steel tariffs. Then there was a report and discussion on the Task Force on International Campaigns in relation to the IMF's campaign in support of its South Korean affiliate. The campaign was successful in helping gain the release of Sung-Hyun Mun, who was present at the Executive Committee meeting.

At the Executive Committee which met on 11-12 December, 2002 in San Diego, there was general discussion of the situation in Iraq and the middle east. There was a report on the deteriorating human rights situation in Belarus. The IMF agreed not to have any contact with the official state-run unions there, and to hold a conference to discuss the situation.

Executive Committee members heard a report on the state of play on international framework agreements, and debated the agreements' operation relative to national and regional agreements.

There was a report on women's representation in IMF structures, which concluded that their representation is still poor, and there was discussion of measures to remedy this.

On the second day, the Executive Committee had a detailed briefing on the Mexican *maquiladora* zone, followed by a study tour there, and a discussion.

Finally there was a discussion on whether to set up a Task Force on Organising.

At the Executive Committee which met on 14-15 May, 2003 in Geneva, there was a further discussion on women's representation in IMF structures.

There was a discussion on letters from Executive Committee members regarding Jose Rodriguez, President of IMF affiliate SMATA, Argentina and an Executive Committee member.

Finally there was a report and discussion on IMF activities with other Global Unions.

The second part of this report details the activities of head office teams and regional offices towards the goals of the IMF Action Programme.

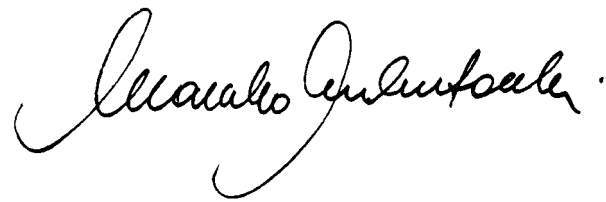
First, it outlines activities towards the goal of building global structures to meet global challenges. The year 2002 saw important work in the restructuring of IMF World Councils, a key aspect of our drive to respond to the challenges of the transnational corporations. There were a number of regional automotive meetings and international meetings at company level. There was also international-level activity in aerospace, and electrical and electronics. The principle goal of these meetings, especially at company level, is of course International Framework Agreements, and 2002-2003 saw the signing of agreements with five major corporations, including Volkswagen and DaimlerChrysler.

The IMF has also been busy constructing global structures at regional and national level. By the end of 2002 the IMF's regional and sub-regional structure was complete. Country councils continue their work too, and new country councils were established in a number of countries including Mexico and Argentina. The IMF also continues to enhance co-operation between trade unions at national level, particularly through training and education. At national level in 2002, the IMF helped strengthen unions through dozens of activities, from shop stewards' training in Angola to union-building workshops in Thailand to training activities leading to the creation of a new union in Peru. These activities are backed at international level by the IMF's information network and communications system.

Second, this report outlines the IMF's activities in global solidarity and organising. The IMF has taken action to aid collective bargaining. It has mounted highly successful international solidarity campaigns, notably in support of jailed South Korean trade unionists. And it has run a number of projects with the goal of organising the unorganised, for example amongst non-manual workers and in Mexico's *maquiladora* zone.

Third, this report gives an account of IMF activities towards the wider social dimension of economic globalisation. The IMF attended the third World Social Forum in Porto Alegre in January 2003. It has taken action on Core Labour Standards, and on making world trade fairer, especially by engaging with plans for a Free Trade Area of the Americas (FTAA). It has engaged with the question of reform of international financial institutions such as the World Bank. And it has demonstrated its commitment to equal rights, in particular by taking steps to improve women's participation in IMF structures at all levels.

Lastly, on behalf of the Secretariat, I would like to express my sincere thanks to the affiliates who helped us in completing activities.

A handwritten signature in black ink, reading "Ana María Induráin". The signature is written in a cursive style with a large, sweeping initial 'A'.



## **2. IMF EXECUTIVE COMMITTEE**

### **2.1 Meeting of the IMF Executive Committee, 16 May, 2002**

#### **REPORT OF THE SECRETARIAT**

MALENTACCHI welcomed participants, especially Brother Mun, Korea. Congratulations were extended to IG Metall and the Italian unions for their successful strikes and to the French unions who helped put a stop to the ambitions of Le Pen.

In Spain, where the right wing government had been trying to introduce measures identical to those of the Italian government, the trade union action would culminate on June 20 when a general strike was planned that would shut down the whole country. If this happened the IMF would give full support to the Spanish unions.

Last but not least, congratulations went to IMF's Japanese affiliates for the success of their nationwide "Shunto".

In Belarus the unions were under fierce attack from the Lukashenko government. All forms of harassment and repression were being used to destroy democratic organisations. The IMF had to act strongly in this part of the world.

Malentacchi underlined the need to join forces with the ICFTU and its unions to help the democratic unions in Zimbabwe.

The presence of Brother Mun had already been mentioned. His release from prison and presence in Geneva was due in a large part to the IMF's wave of coordinated protest on January 22.

The major focus of IMF activity had been on implementing the action programme. Meetings, regional and sub-regional, had been held in Latin America, the Caribbean, East and Southern Africa and South and South East Asia and the Pacific, structured around Congress goals.

The IMF had been busy in negotiating new codes of conduct with Volkswagen, Merloni and SKF.

A Fiat World Council meeting had been held in Turin, the GM Action Group in Toronto and a Volvo meeting in Gothenburg.

Among meetings planned were an IMF World Conference on Aerospace and an ILO Conference on lifelong learning in the mechanical and electrical engineering industry.

Regional conferences for the Latin American and Asian auto industry were scheduled.

A special area of concern was the situation in the dispute over US steel tariffs. This question had been taken up in the IMF World Steel Conference in Washington, D.C., and in its declaration in April 2000.

IMF World Country Councils or Committees had been set up in Mexico or planned in Argentina, Colombia and Chile, and a new Council formed for the Commonwealth of Independent States.

For geographical and strategic reasons the IMF Office in Tokyo would be closed from July 1, this work would be carried out directly from IMF headquarters and the regional office in Malaysia.

An IMF mission to Argentina had taken place, a country which was suffering the worst economic crisis in its history. A full report of the mission was contained in the Executive files. Trade unions were at the crossroads, facing a severe crisis. What was at stake was not only economic and financial recovery but democracy itself.

The IMF Equal Rights Department had been active. If there was ever to be any improvement in the low representation of women in IMF leadership and IMF structures a new way of looking at things had to be found.

IMF Communications were being constantly improved. An IMF Russian web site would be launched in the autumn; Metal World was now published in Spanish, English, Russian and Japanese.

The International Federation of Building and Woodworkers (IFBWW) would now join the IMF web platform.

One issue still to be resolved was the attitudes of Global Union Federations towards participation in world fora, such as the World Economic Forum, or the Social Forum of Porto Alegre. The speaker's own opinion was that such participation should not be institutionalised. Trade unions should remain independent.

In conclusion the General Secretary paid tribute to the work of Yukuo Ajima who was leaving the IMF-JC to work for JALAF.

SUNG-HYUN MUN, Rep. of Korea, thanked the Executive members and their unions for the solidarity shown towards him, resulting in his recent release from jail. Imprisonment had been his experience from

the mid-1980s. Whilst in jail he had heard of the rallies in many countries, organised by the IMF in protest against the imprisonment of workers in South Korea. Malentacchi, Kamada and brothers from Sweden and Italy had visited him in prison. These events had been of great help to him and had put pressure at the Korean government. Many brothers were still in jail, including the president of the Korean Congress of Trade Unions.

JOSÉ RODRIGUEZ, SMATA, Argentina, reported on his country's economic crisis. The four Argentinian unions wanted their heartfelt thanks conveyed to the IMF Executive, the IMF Secretariat and the other country representatives included in the mission. He discussed the role of the International Monetary Fund in creating Argentina's economic crisis. Other speakers discussed the Fund's destructive role internationally, with NAPOLEON KPOH, ICU, Ghana describing his country's experiences with the Fund. JOSÉ RODRIGUEZ made two proposals to make presentations to the G8 countries and put pressure on the multinationals not to withdraw investments, which MALENTACCHI noted would be pursued by the IMF.

A report was received on the progress of collective bargaining in Germany, where an agreement already signed in one region would now be transposed in other regions. Importantly, the new agreement provided for a closer alignment between white and blue-collar workers, which was seen as an important initiative.

MARCEL GRIGNARD, FGMM-CFDT, France, referred to the recent elections in France. He discussed the rise of populist political parties in France and in other European countries, such as Holland, Italy and Austria, and noted the European elections due in 2004.

The meeting discussed the decision by the USA to impose tariffs on steel products. This was seen as the failure of international regulatory bodies to address the global problem of oversupply. The question of steel was sensitive and the discussion was very useful. A meeting could be called of a steering group including key affiliates on how to implement the Washington Declaration and what kind of other activities could be developed to resolve this problem. A look could also be taken at a proposal by the forthcoming director of the W.T.O. that one should examine how world over-capacity had evolved.

Concern was raised about the plight of Palestinian metalworkers. The situation of Israel and Palestine was an area in which the IMF had been very active. Following the resolution in Sydney a meeting had been arranged with both Histadrut and the Palestinians together. This was only called off after the events that subsequently took place.

Referring to the proposed Free Trade Agreement of the Americas, Malentacchi said IMF could contribute to the debate and produce a document and could bring unions from the North and South to act on this subject. This issue should also be a concern of other organisations not just IMF.

The question of the representation of women was important and should be a special item on the agenda of the next Executive Committee, thus devoting a discussion to this specific subject.

Regarding the participation in the World Economic Forum and World Social Forum, the General Secretary felt that there was a difference between discussing and participating. Unions in the different countries must tell their national centres to tell the ICFTU, never mind about the World Economic Forum - the ICFTU must organise union strategies in Porto Alegre.

## **APPLICATIONS FOR AFFILIATION**

Only one application had been received from Serbia. It was received very late and was only included for information.

## **FINANCIAL REPORT 2001**

A deficit of close to CHF 2m was projected. Economies had been made but the question was always what were the priorities? Affiliation fees could not be increased at least for a few years.

## **AUDIT REPORTS 2001**

Audit Reports for 2001 were adopted.

## **REPORT ON MEETING OF THE FINANCE COMMITTEE**

The meeting of the Finance Committee could not be held due to various circumstances.

## **WORKING PARTY ON AFFILIATION FEES AND VOTING SYSTEM**

The task given to this committee was to make long-term proposals for the finances of the IMF and to make proposals for affiliation fees, coming to the next Central Committee with the first report. The Committee should also make some recommendations on the voting system if required and the relationship of the number of votes to the

affiliation fees paid. A report would be made to the Central Committee in Cape Town in December 2003.

### **Task Force on International Campaigns**

It was decided that the Task Force should look at the campaign in Korea and advise the Secretariat on further action. The release of brother Mun was an excellent result, although many activists still remained in jail. Planning at the moment would be at around the time of the Central Committee to make a proposal to the Executive for the procedure for dealing with international solidarity.

The suggestion had been made that the procedure should not only be adopted at this Executive but should also be tabled for discussion at the Central Committee of 2003.

### **WORKING PARTY ON ORGANISING**

The Action Programme (as endorsed by Congress) stipulated the establishment of a task force on organising it also identified types of countries and enterprises to target. After consultation with the President, the Secretariat proposed not to establish this group as existing IMF structures already addressed this issue.

It was acknowledged that it was strange to come to the Executive six months after the Congress to ask the Executive Committee to reverse a decision. Organising was the major task in all of IMF activities. It may not be the task of the IMF to organise people but to create the instruments for IMF unions to organise workers. Comparing the Action Programme and the programme of activities for this year, one could see that most of the activities were directed at organising. It was agreed that more thought should be given to this question and the Executive should come back to it in December or at its meeting in 2003.

### **IMPLEMENTATION OF THE IMF ACTION PROGRAMME**

IG Metall was anxious to ensure that the IMF should develop stronger roots and conduct more activities in the ICT and service sector, as set out in the Action Programme. Malentacchi noted that ICT activities had been a subject of discussion in IMF and a policy paper adopted. The IMF needed to be more active and aggressive in this field. The proposal of IG Metall was acceptable and the priorities in the programme of activities had to be rearranged or other ways of carrying out these activities figured out with the assistance of other unions or organisations.

## **SUBSTITUTES OF EXECUTIVE COMMITTEE MEMBERS**

The motion had been made that anyone on the Executive Committee could have a substitute. It was a question of drawing up a list of these substitutes. This had been done. The motion was approved.

## **FINANCE COMMITTEE MEMBERS**

According to the rules titular members of the Executive Committee should elect members to the Finance Committee. Nominations were from the Nordic countries: Max Baehring; Great Britain: Ken Jackson; Japan: Katsutoshi Suzuki; for the US, the unions would meet together to decide on their nominee.

The question could be asked as to whether the Congress decision to have a Finance Committee was a wise one. However, the Finance Committee had to be taken seriously for the IMF needed a Finance Committee and the General Secretary needed the Finance Committee's support.

## **DATE AND PLACE OF FORTHCOMING MEETINGS**

The date and place for the next Executive Committee meetings were December 11-12, 2002, San Diego, California; and May 14-15, 2003, Geneva. Central Committee meeting in South Africa, December 3-4, 2003.

## **ANY OTHER BUSINESS**

MALENTACCHI paid tribute to the work and dedication of IMF-JC General Secretary Yukuko Ajima who was leaving the IMF to become General Secretary of JILAF.

## **2.2 Meeting of the IMF Executive Committee, 11-12 December, 2002**

### **REPORT OF THE SECRETARIAT**

Marcello Malentacchi, IMF General Secretary, welcoming participants, especially Fernando Lopez and Kjell Bjørndalen attending for the first time, noted that the meeting would provide the opportunity of seeing for one's self the Mexican maquiladoras, together with a briefing by Professor Harley Shaiken of the Centre for Latin American Studies at the University of California. He congratulated Swedish, German and Brazilian colleagues on the elections in their countries. In Brazil, the election of Lula, a former metalworker in the auto industry, to the Brazilian Presidency was a formidable achievement. He would need time and support from the labour movement worldwide.

The short-term global outlook looked bleak, corporate scandals, enormous indebtedness, massive layoffs, terrorism and the threat of war in Iraq filled the headlines. Globalisation was still a theme, very much a focus of discussion in both labour and world fora.

He had attended the European Social Forum in Florence, Italy, in November and there would be another in Porto Alegre towards the end of January 2003. Globalisation's many negative effects had to be addressed with new policies giving people power over economics. While not sharing everything said in Florence, massive trade union participation in such a manifestation could make a difference and the positive input, especially of the Italians unions, contributed largely to the outcome of the debates.

The ICFTU would organise two activities prior to the next Social Forum: a special meeting for all trade unionists to discuss policy, and a seminar sponsored by the ILO. There would also be a trade union seminar on "Globalisation with Dignified and Decent Work". The ILO was also organising a hearing in Porto Alegre for the World Commission on the Social Dimensions of Globalisation. Being considered was a Social Dialogue, with keynote speakers from NGOs and the trade unions. Unions needed to define their role and prepare their interventions in the process in a coordinated way with the trade union approach of trying to bring a little order to the World Social Forum. Whatever organisations joined the union struggle, trade unions remained the only legitimate representatives of workers in the workplace.

Referring to the World Economic Forum, the IMF General Secretary felt that the World Social Forum was more important, a view not shared by all international trade union organisations. Although issues

on the agenda of the next Davos meeting were important, given the composition of the participants, this amounted to a dialogue of the deaf.

In October, the IMF was present among the 89 international trade union leaders meeting with the heads, executive directors and various staff members of the International Monetary Fund and the World Bank. Trade unions voiced their continuing concerns with the international financial institutions' policies. The Fund and Bank claimed that they had abandoned ideological preferences for private solutions over public ones, and had abandoned one-size fits-all prescriptions for countries receiving assistance, but trade union representatives cited many examples to the contrary. Although national unions were consulted more often than in the past, such consultations were too often merely cosmetic. Global Union Federations were making little progress in getting the international financial institutions to make good their promises to promote core labour standards. One positive aspect was the commitment to take on several people from Global Unions to work with the Bank on issues of mutual interest. Trade union input to future Monetary Fund policy, i.e. the design of a new debt restructuring mechanism and measures to limit changes in international capital flows, was also welcomed.

Efforts to get Korean trade unionists released from jail continue unabated. Two "Days of Action" were part of a campaign, unprecedented in the IMF. Affiliates in 65 countries took part in solidarity activities, including mass rallies, picketing and information campaigns.

An area of IMF concern had been the conflict at Honda, Indonesia. After a strike for wage increases in April, 368 workers were suspended from their jobs. The Indonesian Labour Dispute Arbitration Committee ordered the company to reinstate 208 workers and the case of the additional workers was pending. The General Secretary had met with the president and vice-president of PT Honda Prospect and received a promise that all workers would be reinstated and negotiations at local level reopened. Despite several contacts with the management of Honda in Japan, the IMF had not been able to make progress.

At Alcoa Fujikura, maquiladora plants in northern Mexico, a struggle to establish a democratic union was taking place. Workers were fired for intending to participate in a trade union election; in another plant Executive Committee members were dismissed.

There was the bitter struggle that Fiat workers in Italy were engaged in since the company announced redundancies of more than 8,000 workers. Fiat, instead of investing funds for long-term strategies, had

preferred to distribute dividends to make shareholders happy. In the past, Fiat had received enormous amounts from the Italian government and from the European Regional Fund to set up plants in the south of Italy. With funds exhausted, Fiat was no longer interested. The three Italian unions together have made several proposals to save jobs. Negotiations were still going on under the supervision of the government.

Non-manual and ICT workers remained IMF priorities. In October, an IMF seminar on organising non-manual workers was held in Eastbourne, Great Britain. Non-manual workers were in the process of outnumbering production workers in many countries and companies. A stronger IMF presence in non-manual occupations was needed - generally, metal unions were relatively weak in this area. IMF would seek to develop follow-up activities aimed at recruitment and servicing.

The ILO's Tripartite Meeting on "Lifelong Learning in the Mechanical and Electrical Engineering Industries" took place last September. The IMF succeeded in modifying the programme to discuss the current industry crisis, in addition to lifelong learning. A number of guidelines were laid down, for instance regarding the social impact of restructuring in the industry, curricula for the various aspects of lifelong learning, the role of the social partners and governments and the implications for the ILO.

Two significant reports of missions to the Philippines and Vietnam had been made. IMF aid to the Philippines had been frozen for the last four years. This had been a very wise move. The report of the regional representative for Southeast Asia painted a dismal picture of weak and divided unions, inter-union rivalry and labour laws that hindered restructuring. Families that controlled and led the labour movement were politically and financially powerful. Ethnic divisions and a diversity of languages were the root cause of disunity and factions in labour unions. Political and ideological differences also impeded trade union growth. There was a great need for democracy, transparency and accountability. On the credit side, there seemed to be a will to build a new labour movement. The report of the mission to Vietnam confirmed expectations of a country facing enormous challenges: political, ideological, economic and social. State enterprises were being privatised and workers were losing jobs, causing severe problems for the unions of which the metalworkers' union was the largest. National industries were facing fierce competition from both local and international competitors. Many state firms would be closed, causing an expected loss of two to three hundred thousand jobs by 2005. Competition was severe from China, which benefited most from Foreign Direct Investment. The Vietnamese National Union of Industrial Workers had received

solidarity assistance from IMF affiliates for training courses. The union would like to maintain friendly relations with the IMF and had promised to translate the IMF Action Programme into Vietnamese.

Commenting on the environment, Malentachi said that in the United States the asbestos crisis was spreading, with European companies facing enormous numbers of lawsuits. The IMF had led the battle 20 years ago to get asbestos banned.

A new International Framework Agreement based on the core labour standards of the ILO had been signed for DaimlerChrysler, making it the second in the auto industry and the third in the metal industry, the other two being Volkswagen and the Italian transnational, Merloni Elettrodomestici.

These were very important achievements, setting a precedent. Regional agreements like the one recently concluded by GM Europe could not be supported by the IMF. They were not negotiated with the IMF and could undercut attempts to get agreements that would cover all plants of a TNC around the world. TNCs had adopted so-called codes of social responsibility, which were used to avoid negotiations with Global Union Federations for framework agreements. There was also the danger that such an agreement could give legitimacy to flawed unilateral company declarations.

Metal World, the IMF NewsBriefs and the Internet had been keeping IMF affiliates, the media and the world well-informed of activities in the metal industry. Since the publication of Metal World began the magazine was now published in English, Russian, Japanese and Latin American editions. A new addition to the IMF website, called "Union Women", would focus on concrete strategies to encourage a greater participation of women in trade unions and the IMF and to address issues of common concern to women. On December 2nd, the IMF launched its Russian language website.

The first meeting of the Working Party on "Affiliation Fees and the Voting System" was held in Geneva in September. No decisions were made, more information still had to be collected, and the Working Party would meet in April and September next year.

The IMF organised a mission to Argentina in April. While Argentina was still suffering the worst recession of its modern history, there were signs that the economy was beginning to recover without foreign financing and in spite of the lack of International Monetary Fund lending. Under the military regime of 1976 to 1983, tens of thousands of people were killed or disappeared. Investigations had focussed on the disappearance of trade unionists. One notorious case concerned the Mercedes Benz plant in Argentina where 14 people disappeared.

In August 2001, an independent Argentine investigation, the Asamblea Permanente por los Derechos Humanos La Plata, heard José Rodríguez, general secretary of the IMF-affiliated Argentinean trade union SMATA, in this connection. Additionally, individual journalists and surviving relatives had raised allegations against him, claiming that he played a role in the disappearances. José Rodríguez, who had been an IMF Executive Committee member and an IMF vice-president since 1973, strongly denied these allegations. Hoping to be able to shed some light on the events in Argentina, the IMF had searched its archives in Geneva and Bonn and consulted former IMF secretariat members who might have relevant information, but little information had come to light. The IMF fully supported the work of the commissions which were investigating the events in Argentina and was giving its full cooperation to these efforts. The IMF had written to the "Truth Commission" in La Plata, stating that the information it had was quite limited; nevertheless, IMF records and archives were at their disposal. The IMF had also written to Christian Tomuschat, head of the recently constituted DaimlerChrysler investigation team, which was looking into the events at the Mercedes plant, telling him the same thing. Both had responded positively. The IMF would also continue to make relevant information available and cooperate with the media covering this issue. The same policy of cooperation would be applied to other inquiries, such as the recently announced investigation into disappearances at a Ford plant in Argentina.

Some measures had been taken to reorganise work at the Secretariat. The two teams - the Organisation & Solidarity Team (OST) and the Industrial Policy Team (IPT) - would merge and Brian Fredricks would take the responsibility, directly under the speaker's supervision, for coordinating them. Hiroshi Kamada would continue to be responsible for administration but also for coordination of the regional structures and offices. A new member of the Secretariat, Ron Blum from the UAW, would replace Peter Unterweger, who was retiring. Carla Coletti, who had worked for the IMF for 5 years, would rejoin the IMF to assist the General Secretary with responsibility for contacts with all external organisations such as the ICFTU, the Global Union Federations (GUFs), ILO, OECD, WTO, etc.

José Rodríguez, S.M.A.T.A. - Argentina - sought to refute, in detail, the allegations made against him, as outlined in the Secretariat's report.

Zwickel apologised for interrupting the speaker, but pointed out that the Executive Committee, while appreciating the remarks being made, was not able to process the wealth of detail that was being given, as it did not have the background or the understanding for the situations being described.

He suggested that Rodríguez could make a written summary which contained the basic points and issues which would allow the Executive to take action.

Rodríguez agreed to submit a summary. RODRÍGUEZ closed by saying it was painful after 50 years of trade union activity and a clean record to find himself accused by a group of terrorists and a journalist.

Fernando Lopes, CNM/CUT, Brazil, said the election in Brazil presented a wonderful success but also a challenge. He also said it was important that the IMF should continue to support the FTAA working group that was established some years ago, and playing an important role.

Velasquez noted that in Brazil, the election of Lula would have an influence on the FTAA negotiations coming into effect in 2005, also the role of the International Monetary Fund in Latin America.

Silumko Nondwangu, NUMSA, South Africa, commented that with regard to the upcoming meeting of the World Social Forum in Porto Alegre, one should bear in mind that during the World Summit on Sustainable Development in South Africa, the ICFTU role in coordinating activities of global trade unions had not been very impressive. The IMF should ensure that the trade unions participated more effectively at the meeting in Brazil.

Katsutoshi Suzuki, IMF-JC, Japan, spoke on global warming. He had prepared a document on this issue which he hoped would be adopted by the Executive Committee.

Thomas Buffenbarger, IAM, United States, spoke on the results of trade agreements that had gone badly, particularly NAFTA, and described the extent of job losses in North America. The speaker expressed his union's concern about brothers and sisters in Mexico. With the emergence of China, Mexican workers, who saw their wages actually go down, are now being threatened by the move of jobs to China.

Malentacchi, summing up and referring to the question of China, said that the regional subcommittee had discussed this and a decision had been made which would be on the agenda at the full regional level and one should await the results of this discussion. With regard to the situation in Iraq and the possibility of a war, Malentacchi felt there was no need for another resolution at this time because the statement on terrorism of the last Congress covered the situation. International framework agreements would be a continuing issue and would also be dealt with later on the agenda. The IMF was a supporter of the Kyoto Protocol and would like to see it implemented as soon as possible and

all countries should be included. The IMF agreed with Suzuki's proposals and was committed to implement them.

## **BELARUS**

Malentacchi and Aliaksandr Bukhvostau, AAM, Belarus, outlined many of the problems facing unions operating in Belarus: rigged government elections; an authoritarian government; government appointments running unions; check-off stopped; establishment of yellow unions; attempts to incorporate unions into the structure of government; meetings and demonstrations were prohibited at present. They also detailed complaints lodged with the ILO over the government's anti-union laws.

Zwickel, summing up, said there was agreement that:

- the IMF would not have contact or support for the official state-run trade unions;
- a conference would be organised to discuss this, and where this conference could be held;
- in so far as they could, the remaining three trade unions should do whatever they could to build a consensus.

## **INTERNATIONAL FRAMEWORK AGREEMENTS**

PETER UNTERWEGER, IMF Industrial Policy Team, briefed the Executive about negotiation and signing international agreements.

The IMF model was based on that of the ICFTU. Very similar models were used by other GUFs. The IMF was not alone; the Chemical Workers International, the Building and Woodworkers, UNI and the Food Workers' Federation. In all, some 20 agreements existed, most of which had been recently signed.

In obtaining these agreements, the IMF should be involved from the start as global agreements had to be negotiated with trade unions, and an IMF officer or designee should also sign.

The essential contents included ILO Core Labour Standards and an engagement of the enterprise to pressure suppliers to conform to the principles of the framework agreement, the implementation of which included trade unions. Some engagement should also be included to press suppliers to respect the agreement's principles.

Roe noted he would like to see a more campaigning approach to extend these agreements.

GRIGNARD said follow-up activity should be made to see what sort of impact the agreement had.

Malentacchi said the two reasons why framework agreements were fundamental to the IMF were to guarantee labour standards and fundamental human rights all over the world. The second reason was to create an IMF identity.

The question was how could the negotiation be organised so that the people covered would be involved in the negotiations from the beginning since they would have to implement the agreement.

Nondwangu said there was an obligation as IMF affiliates to accept IMF coordination. The IMF did not take the responsibility of negotiating on behalf of affiliates, but to ensure that international or regional agreements were consistent with international solidarity and the international framework agreement.

Zwikel said that, in principle, there was agreement. Unfortunately, there were only three examples of international framework agreements, which were excellent. If next year there were ten more examples, then the discussion could be about specific examples.

## **WOMEN'S REPRESENTATION IN IMF STRUCTURES**

Jenny Holdcroft, IMF Equal Rights Department, recapped some of the facts contained in the background paper in the Executive Committee dossiers. An IMF women's meeting in October, mostly international officers, recommended a significant grouping (6) of women's positions on the IMF Executive Committee, which would allow a spread of representation either on a regional or industrial sector basis. Compared to the other GUFs this was not an enormous level of representation.

Other recommendations included setting up a working group on women's representation, that a goal should be set up for participation in the Central Committee and the Congress, that an IMF Women's Conference be held prior to and in conjunction with IMF Congresses, that an IMF women's committee should be set up, also regional and or sub regional committees to be held in conjunction with existing structures.

Zwikel believed the recommendations of women's committees at world and regional levels should be supported by the Executive.

There would then be no need for an additional working group. The women's committee, which could take on board the questions of women's representation in the different decision-making bodies, should be set up very quickly. A women's conference would also be possible in conjunction with the IMF Congress.

Malentacchi agreed to the principle of a world committee which should be put to work as soon as possible. Representation on the Executive could not be decided at this meeting, but only at the Congress. If this was the goal, it would have to be decided on what criteria should be used as well as the financial question.

KJELL BJØRNDALLEN, Fellesforbundet-FF, Norway, said the document given to the Executive was informative and showed the reality. It was important that the Executive should be made up of presidents of affiliates who were ultimately responsible for the member unions.

KPOH said it was important to include women in IMF structures. The Executive must not be a club of general secretaries and presidents; others should be encouraged and the participation of women would engender interest.

ZWICKEL, summing up, said that by the next Executive the women's committee could be reinstated. A clear specific proposal should be ready by May 2003. For a women's conference, in conjunction with the next Congress, a specific proposal should be made as to its scope and agenda. A third point was the representation of women at the Central Committee and the Congress, assuming a representation of at least 20%. What this would mean in terms of numbers and, specifically, that there would not be an increase in the total number of delegates. Where the Executive Committee was concerned, either the number would remain at 18 among whom would be 4 women, or 22 members, or should the principle be that the Executive should have a percentage of women in the decision making Executive Committee members.

These points should be submitted to the members and at the May Executive decisions could be reached in preparation for the Congress.

LOPES, while accepting the proposals of the IMF President, felt that the objective of 6 women on the Executive should be considered as a possibility, at least until May.

## **AUDIT REPORTS**

ZWICKEL said this point was covered in two documents. The Report of the Geneva Auditing Company Gerofid confirmed that accounts were accurate and kept properly. A second document was the report of the IMF Auditing Committee. It referred to the need for the Executive and the Auditing Committee to have a long-term financial plan. The Auditors also confirmed that the books were in order and in compliance with the rules.

## **BUDGET PROPOSAL 2003**

Malentacchi, referring to the printed material, said that income would be similar to that of 2002. Income from affiliation fees would decrease as unions were still losing members, especially where unions paid the full affiliation fees. This would continue and the IMF Working Party on this issue would make a report to the Central Committee at the end of 2003. The Finance Committee had met and recommended that the budget be adopted.

Zwickel recalled that the IMF was engaged in medium- and long-term financial planning. The financial situation continued to be quite solid, but a reduction in membership almost worldwide meant income would be reduced. A medium-term financial plan needed to be drawn up. The meeting of the Finance Committee had stressed the importance of drawing up a three-year plan.

## **REPORT ON THE MEETING OF THE IMF FINANCE COMMITTEE**

MALENTACCHI announced that unions that had asked for exemption from dues were Belarus, Chile and Israel. Malaysia and Zimbabwe were asking for partial exoneration for 2002. Zimbabwe was also given exoneration for 2000 and 2001 and South Africa partial exoneration for 2001.

## **APPLICATIONS FOR AFFILIATION**

The IMF President continued by introducing 3 applications for affiliation: Turkey, a shipbuilding union; a union in North America organising elevator technicians; and another, the Painters and Allied Trades in the Shipbuilding Industry.

There being no objection, these applications for membership were unanimously accepted.

## **NOMINATIONS**

ZWICKEL announced that Ken Jackson would be replaced by Derek Simpson for the British Sector, and Steven Yokich, who had retired and since died, would be replaced by Ron Gettelfinger, President of the UAW, on the IMF Executive.

Derek Simpson would also sit on the Finance Committee.

A new President of the IMF Electrical and Electronics Department would be Nobuaki Koga, IMF-JC.

The President of the IMF Automotive Department would be Ron Gettelfinger.

## **SECOND DAY OF MEETING**

The morning of the second day of the meeting was devoted to the situation in the Mexican export processing plants, the *maquiladoras*. After an introduction and a briefing by Professor Harley Shaiken of the Center for Latin American Studies of the University of California, Berkeley, the Executive left for a study tour of *maquiladora* plants in Mexico.

The visit was followed by a short discussion on the political and organisational issues raised by the of *maquiladora* plants.

ZWICKEL said that what had been seen was an expression of the global economy. There was a need to achieve global minimum conditions and standards in trade agreements. This concerned international codes of conduct.

MALENTACCHI recalled the discussion on Mexico for the first time four years ago. The time was now to pass into action. Organising, from the IMF point of view, had to be the task, building democratic, independent and representative unions in which workers could identify themselves.

ROE said what had been seen in Mexico was a reflection on what was happening worldwide. This was a global phenomenon. Whilst agreeing for the most part with the views of the President, the speaker felt that the response of Mexican workers was the same as one got from any unorganised workers who felt disempowered and apathetic. This was quite understandable where workers were unorganised.

VELASQUEZ stated that the problems of Mexico were advanced and something should be done in the context of the code of conduct for example.

Zwickel, closing the discussion, said part of the IMF's work should be to bring the topic of the international code of conduct to the attention of the world and have this apply to some of the transnationals.

## **TASK FORCE ON ORGANISING**

ZWICKEL commented that this issue was discussed at the last Executive. The situation differed according to the country. The goal of the task force, to develop principles and documentation for organising, was impossible given the divergences and differences; consequently, there was no point in continuing this committee in its current form.

FREDRICKS pointed out that Scandinavian unions were in favour of setting up such committees, while the IG Metall view was shared, by and large, by the IMF Secretariat. There were a number of other structures already existing in the IMF dealing specifically with organising issues which differed enormously from region to region. The setting up of a working group was not a principle decision of the Congress, and therefore the Executive could take the decision, that after investigation it was clear that the setting up of such a working group would not give the desired results. Next year the Central Committee would meet and could exonerate the Executive Committee for such a decision.

BJØRNDALEN said the Nordic Metalworkers' Federation support for the task force was based on the fact that it needed to follow up on what had been discussed at a number of Congresses - Zurich, San Francisco, Sydney - where decisions were made to have such a task force. A task force would be useful to assess the situation as to what the biggest challenges were. Such a task force would have an input in the Executive and Secretariat. Decisions that have been taken should be implemented.

ZWICKEL felt it was doubtful whether an international committee could solve the problems of an individual country. One could wait until the next Central Committee to decide the matter.

## **DATE AND PLACE OF FORTHCOMING MEETINGS: FINANCE, EXECUTIVE, CENTRAL COMMITTEE, CONGRESS**

It was agreed that the next meeting of the Finance Committee would be on 14 May, 2003, and the Executive Committee on 14-15 May, 2003, in Geneva, Switzerland.

Other dates concerned the Finance Committee on 2 December, 2003, the Executive Committee on 2 December, 2003, and the Central Committee on 3-4 December, 2003, all in Cape Town, South Africa.

The date and place of the 31<sup>st</sup> IMF Congress are 22-25 May, 2005, in Vienna, Austria.

### **2.3 Meeting of the IMF Executive Committee, 14 May, 2003**

#### **REPORT OF THE SECRETARIAT**

Marcello Malentacchi, IMF General Secretary welcomed members to Geneva, in his view, the capital of the world as all the major international organisations were based there, and it was considered to be the “City of Peace”. That was the very theme on which he wished to start his report to the Executive Committee.

The war in Iraq had provoked a crisis in the international system. The United States, the British government and their allies had undermined institutions such as the United Nations which had been created to defend peace and prevent wars. The whole idea of initiating a preventive war was totally contrary to international law and could have led to other catastrophes. It was illegal and should never have taken place. Military action against governments which invaded other countries or committed genocide against their own people or ethnic groups should only be decided upon by a body such as the UN. To make this possible, the UN system had to be strengthened and adjusted to give appropriate weight to the views of all countries, disallowing domination by a few powerful ones. The whole multilateral system required reforms to enhance its democratic profile, transparency, coherence and effectiveness.

International trade unions must be mobilised to defend the UN and to ensure that this worldwide organisation worked for justice throughout the world. Equally, respect for human and trade union rights should be high on the agenda of the UN and part of the rules governing the whole multilateral system. However, before actions of this nature, the

UN should play a preventive role, monitoring developments and trying to counteract the rise of authoritarian regimes. This implied that countries which considered themselves democratic and above suspicion should not help people like Saddam Hussein or Bin Laden by providing them with weapons, financial support, technical know-how, etc., then start a war against them when they were no longer politically useful. The war was now over and they all mourned the thousands of victims who had paid for it with their lives. The injuries, chaos and destruction inflicted on the Iraqi people were far too high a price to pay to achieve the hidden agenda of regime change. Dangerous and deeper divisions generated by the war, endangered peace and democracy. After the first Gulf War, they had said, "Now is the time to start building up peace and democracy everywhere in the Middle East". This region could not be considered only as an immense oil well. However, the problems which had afflicted the Palestinian and Israeli peoples during the last decades must be resolved before real peace could be achieved and here the international trade union movement had a key role to play by getting the trade unions on both sides to cooperate and work together. A Secretariat mission would visit both Histadrut and the Trade Union of Palestine shortly after their meeting and a special meeting with both unions was being organised. A report would be submitted to the Executive in due time. Implementation and practice of democratic principles applied to all people in the region remained a priority for all democratic countries and organisations such as the IMF.

Malentacchi stated that the predicted world economic recovery was still awaited. In fact, latest forecasts were more pessimistic than at the beginning of the year. The ILO report on "Global Employment Trends" published at the start of the year, showed that an estimated 180 million people around the world were unemployed at the end of 2002, an increase of 20 million individuals since the year 2000. These job losses had swelled the ranks of the working poor, pushing more people into badly paid, precarious jobs with neither insurance nor social security. Women were the worst affected by these developments causing unpredictable consequences for social and political stability in many parts of the world. Productive investments had declined considerably and were less than half the previous year's. This made the situation very difficult in all countries since the economies were so inter-dependent. Lack of investments in one country would inevitably have negative consequences in other parts of the world. New economic policies based on the generation of quality employment - so that people could afford to buy what they produced - and aimed at sustainable development around the world must be put into practice. Raising the purchasing power of the less privileged was fundamental to creating consumption and thereby demand. Governments, especially those in the G-8, could no longer preach neo-liberal policy based on the so-called free market forces, allowing most

of the important economic decisions be made by the few. Results of the last two decades of neo-liberal economic policy were catastrophic for working people in all countries. The situation had to be reversed if they were to improve the standard of living for workers and their families. Defending trade union rights remained a high priority for trade unions.

The General Secretary was sure that all were aware of the protests against violations of ILO Conventions that had taken place practically every day in China. The fact that China was very important to the rest of the world in terms of economics and markets could not distract trade unions from continuing to fight for the full implementation of fundamental human and trade union rights as stated in the UN Charter and in the ILO Declaration of Fundamental Principles and Rights at Work. At that moment, they were campaigning to get some trade unionists released from prison. China had been attracting the lion's share of direct foreign investments in recent times and, despite wars and SARS, this trend was likely to continue. Malentacchi believed that they could not ignore these facts and the IMF should discuss ways in which to interact with progressive groups in China. An article on this was on the IMF Website. Within the international trade union movement, there were differences in relations with China which had rendered it impossible to define a meaningful common strategy. He, therefore, considered it necessary to hold a debate which took into account all opinions and aspects of this problem in order to establish an IMF policy. At present, every organisation decided its own policy without any common strategy and, in the long term, this would not be beneficial to their cause. The matter had already been discussed previously by the Executive Committee and, in view of the outcome of discussions then, IMF had not organised any activity in China. However, they did have some informal contacts which should be developed further. The General Secretary assured the Committee that every time the opportunity arose to talk to Chinese representatives of the ACFTU, IMF reminded them of those in jail and he would return to the Executive for more debate on this issue later.

The General Secretary reported that the European Metalworkers' Federation would hold its ordinary Congress in Prague in June. This was a historical event, as it would take place just one year before the enlargement of the European Union by ten member states, increasing its population to more than 450 million people. This would have quite an impact on many other countries around the world but there was still a long way to go before full integration could be achieved. The European Trade Unions wanted to build a social model with a strong social identity and this was certainly the best one for the European workers. He was sure that other countries and regions would like to have the same model instead of that outlined in the FTAA (Free Trade Association of the Americas) which only took care of commerce.

Malentacchi believed that although one could not export social systems from one part of the world to another, this model could serve as a basis for development by the other countries. However, it was threatened by governments wishing to put in place neo-liberal politics; hence the reason for the strikes and demonstrations organised in France and in Austria the previous day. These two countries were the most recent examples, after Germany, Spain and Italy, where trade unions were obliged to demonstrate in the streets against the social system. The General Secretary of the European Metalworkers' Federation would, he was sure, provide a report on the results of the discussion to the IMF Executive Committee,

Malentacchi believed that the fact that the Executive Directors of the World Bank had included an item for discussion on Core Labour Standards on its agenda for its regular meeting on 6 May, indicated that there were some concerns about repeated criticism of World Bank policy. How serious they were about it remained to be seen but, for the time being, there were no signs of any World Bank proposals to implement the CLS or to re-orient the policies. The question of integrating Core Labour Standards as mandatory elements of the Bank's procurement guidelines was not included for discussion as demanded by the Global Unions and this begged the question of how serious the Bank was about its published intentions. He wondered if this was just another attempt to mislead people and silence criticism. The IMF had to continue its efforts to get all affiliated unions to work at the national level to influence National Centres and Governments and to make them pressurise the World Bank and the International Monetary Fund.

The General Secretary reminded the meeting that in just two weeks' time, the G-8 Summit would take place in Evian, across the Lake and just a few kilometres from Geneva. He had already expressed his opinion on this but wished to reiterate his point that Summits of this kind, although certainly useful for contacts between countries, were tending to replace decision-making bodies of the multilateral system. Summits of Heads of States could only be legitimate if they did not impose the will of the powerful few on the rest of the world. In fact, the G-8 had contributed to the crisis of global governance by supporting policy measures which bypassed the UN and favoured TNCs over public welfare. This could not be tolerated from a democratic point of view. French and Swiss police had set up an extraordinary system of control in connection with the Summit in Evian. Obviously the IMF fiercely rejected any forms of violence and supported all peaceful ways of expressing opinions but in his view, it would be better to open a genuine dialogue with all the democratic forces and listen to what citizens had to say.

Malentacchi then proceeded to report on a few of the IMF's activities around the world. Firstly, regarding Indonesia, Committee members would have already seen the campaign launched in support of the workers of Honda Prospect. Unfortunately, the company had taken a very rigid stand and did not want to reach any reasonable conclusion. Fourteen months after the start of the strike, only twelve of the 368 workers concerned had not accepted an indemnity to leave their jobs. IMF planned to lodge a complaint with the ILO for infringement of the right of freedom of association as had already been done through the OECD. Ruthless exploitation of people was taking place in many TNCs in Indonesia and the only hope workers and their families had was the unions and some NGOs. The people concerned were determined - but for how long? IMF would continue to aid Honda workers as much as possible and Malentacchi expressed gratitude to the IMF-JC as well as the JAW for all the support they had given IMF and the Honda workers in Indonesia. However, more help would have been expected from the Honda union in Japan.

This particular case underlined the importance of signing International Framework Agreements with TNCs and steps should be taken - especially with the Japanese companies - to start negotiations on IFAs. This would help the IMF to make progress in many countries in terms of organising, not least, in the USA where practically none of the Japanese companies in the metal working sector was unionised. Discussions were underway with Japanese colleagues to decide upon the strategy to be adopted in order to achieve these goals.

Continuing on the subject of these Agreements, the General Secretary welcomed the initiative taken by the UAW to raise this issue in the next round of negotiations with the Big Three - GM, Ford and Daimler-Chrysler. Results of these negotiations would be reported to the Executive Committee as soon as possible. In Germany, IG-Metal was working hard to have TNCs recognise the importance of signing IFAs. At Leoni, an electrical cable manufacturing TNC, the IMF had signed an IFA negotiated by the union there and was currently involved in similar negotiations with other TNCs in Germany, Italy, Sweden and Finland. IFAs already signed had proved to be partially effective and Malentacchi mentioned one example - the IFA signed at Daimler-Chrysler - where it was successfully used by the union at Ditas, an auto parts manufacturer in Turkey and supplier to Daimler-Chrysler.

At the last Executive Committee meeting in San Diego, an extensive debate had ensued on what procedures to adopt when negotiating IFAs. The outcome of the debate was clear and it was time to put this into practice. IMF had to coordinate the negotiations and obviously the unions at the mother company had a large role to play, having the best contacts at the company but this did not mean that the union had

exclusive rights over the negotiations. From the outset of the negotiations, information should be distributed to all unions with members in the company's various operations. This was extremely important if they were serious about creating a worldwide awareness of the need to coordinate their actions. It was their intention to consolidate the agreements in the near future, ensure proper monitoring and their full implementation.

Moving on to Korea, the General Secretary reminded members that last year brother Mun had been invited to participate in the work of the Executive Committee having just been released from prison in South Korea where he had served a sentence for his trade union activities. Dan, Buying-ho, President of the KTUC and former President of the Metalworkers' Federation, had been released from jail a few weeks previously and was again a free man. However, the struggle in Korea was not yet over. Trade unions were fighting to reform the labour laws and to get the government to fully implement the ILO Conventions and other international laws which had been ratified by the Korean Parliament. In addition, the Korean unions were trying to build national union structures and should be supported by all means possible. South Korean TNCs were playing a bigger role each day in the world economic system. Negotiations with these TNCs were no easier than with other TNCs and this was why IMF needed to build close links between union workers in that country and those working in South Korean TNCs elsewhere.

He mentioned that several regional and other activities in Asia had been cancelled or postponed due to the present health risks caused by the Severe Atypical Respiratory Syndrome (SARS).

A number of items such as representation of women in the various bodies of the IMF, co-operation with other Global Unions and the situation in Argentina had been deliberately left out of his report as they would be covered later in the agenda.

On behalf of the Secretariat and staff both at the Geneva headquarters and in the Regional Offices, Malentacchi thanked the Executive Committee for its attention to his report on important developments for the period December 2002 through April 2003. He also wished to extend a vote of thanks to Don Stillman who would be retiring shortly and was attending his last Executive Committee.

Tom Buffenbarger, AIMAW, U.S.A., wanted to know if the committee which dealt with the Codes of Conduct could meet again and give an update on the situation so that they would know at what stage they were in order to be able to follow-up in an appropriate way.

Katsutoshi Suzuki, IMF-JC, Japan, commented on the Metalworkers of Japan's unsuccessful campaign in support of the brother metalworkers in Honda in Indonesia.

He also commented on the loss of investment to China and raised the question of the need for an IMF strategy for dealing with the global transfer of jobs to China.

R.C. Arya, INMF, India, said that with regard to India, there were signs of recovery in the metal industry. Arya's impression was that this recovery in India was partly due to developments in East Asia, in particular, the increase in consumption of steel in China which was importing this and other metals, despite its own substantial production of steel. He was not sure if this was worldwide or local and would like to hear some discussion on this subject at the present meeting.

Marcel Grignard, FGMM-CFDT, France, wished to highlight the European situation in relation to what Arya had said. The slowdown in the world economy had hit Europe, causing a severe drop in industrial production, in particular, in the metal trades. The overall power of the European metal industry internationally was weakening.

Julius Roe, AMWU, Australia commented on Malentacchi's point that all affiliated involved in a particular TNC should have some ownership of and commitment to an International Framework Agreement, and that the process of negotiating the agreement was therefore very important. Those agreements would only have an important role in building solidarity, organisation and mobilisation if they were handled through the IMF.

Aliaksandr Bukhvostau, AMM, Belarus, as the Central & Eastern Europe representative, stressed the need for the IMF to translate all documentation into Russian. He also raised that unions in the region had difficulty paying membership dues despite changes in the system of dues calculation.

Silumko Nondwangu, NUMSA, South Africa felt there was a need for the IMF to develop guidelines on how the IFAs should be negotiated in order to ensure that affiliates in different parts of the world were involved in the process from its initial stages.

Don Stillman, UAW, U.S.A., informed participants that during the previous week, a Chinese court had sentenced two metalworkers to long prison terms for subversion for basic worker action around the lack of benefits owed but not paid in a metal factory in Liaoyang. Stillman proposed that they should start a campaign to demand the release of these two Chinese activists. IMF had a good track record for such campaigns and Stillman referred to some of these instances.

Regarding his retirement, he had been on the Executive Committee since the Sydney Meeting in 1982. He gave a vote of thanks to the General and Assistant General Secretaries, the President, all members of the Secretariat and his North American colleagues, for all their help. He stated that the UAW would not be where it was, if it were not for some of the participants there that day

Zwickel noted that Suzuki and others said that the IMF should develop a strategy to enable them to influence working conditions and terms of pay in China which was a perfectly fair comment and they should do that but how were they going to do that? It was useless for the IMF in Geneva to draft a nice-sounding document. No one in China would be interested as long as they had no influence in China and were not present in China. None of the GUFs had any influence there and, although there were trade union structures in China, they wanted nothing to do with the IMF or with similar structures. Affiliates could not on the one hand ask the IMF to develop a trade union strategy designed to help affiliates influence working conditions in China, while in the same breath saying that they could not envisage close collaboration with the Chinese Unions. The reality is that what would be needed would be a close, but limited collaboration with those unions.

Regarding Codes of Conduct, Zwickel believed they needed to produce a provisional inventory of IFAs drawing up specific conclusions regarding the impact of these agreements. What he would really like to know was who had concluded these agreements and how satisfied the parties to these codes were.

Daniel Carrigan, AEEU, Great Britain supported the General Secretary's remarks on the IFAs and agreed with Tom Buffenbarger's call for a working group.

Malentacchi, commenting on the war in Iraq, agreed it was time to move on and that the United Nations was the only organisation that could permit action of this kind. The present UN system had to be reformed as it did not reflect the current situation of the world. That organisation was founded shortly after WWII when economic, political and social conditions were completely different. However, there was an ongoing process to change the system within the UN and he hoped that the IMF could in some way through the auspices of the ICFTU, give input to that debate.

Referring to other comments on his report, he was in agreement that a meeting of the Guidelines for Codes of Conduct Working Group, as it was called at the time, should be convened. He pointed out that perhaps they should have a few more signed IFAs in order to check how they were working.

Following on previous comments on the situation regarding pensions and social security in Europe, the General Secretary did not want to discuss the differences in each country but believed that the social welfare systems in all European countries were being threatened. He was sure they would agree that some of these systems needed to be reformed or they would collapse.

On China, they were committed to human and trade union rights being recognised. This was a very serious issue and why it had been raised in the Report. They needed to look at how to proceed to create a common strategy without forgetting that there were people in jail for whom they had to do all they could to ensure their release.

Regarding the difficulties in his region mentioned again by Bukhvostau, the General Secretary assured them that the IMF was well aware of these and discussions were going on almost daily to find solutions. He promised that, as discussed, they would set up a special seminar on Human and Trade Union Rights whether or not ICFTU joined in the organisation.

Malentacchi agreed that at some point in time, they must talk about the role we want ICFTU to play and IMF needed to let them know the role it wanted them to play. Presently, there were some fundamental differences.

## **WOMEN'S REPRESENTATION IN IMF STRUCTURES**

Jenny Holdcroft, IMF Equal Rights Department in introducing this item, referred to the document already distributed to members. One of the significant decisions taken by the Executive Committee in San Diego was the 20% target for women's representation on the Central Committee and the Congress and that this would be implemented by the Secretariat in the best possible way

With regard to the decision to hold a Women's Conference prior to the next Congress, some suggestions were included in the document on what form that could take.

The third decision was to re-instate the Women's Committee. She felt that members of that Committee should be the women members of the Executive Committee and for that reason, this could really only be an interim committee prior to the next Congress since the women members would only be elected at that time.

At a regional level, again she thought it important to allow for some flexibility as the regions all operated differently.

The main recommendation from that part of the report was that an Interim World Women's Committee be established (with some flexibility as outlined) comprising two women from each of the six IMF regions. The second part of the recommendation was that work should start immediately to establish the structures at the regional level in consultation with the regions.

The recommendation was that the IMF Rules be changed to increase the size of the Executive Committee by six members and that those six positions be reserved for women. In practice, each of these positions would represent one of the existing six IMF regions.

McBrearty suggested that they discuss the recommendations that day but did not take a vote before they were able to bring it before their executive boards.

Grignard noted about the World Women's Committee and the regional and sub-regional women's committees that he would like them to open to male leaders to allow them to gain a better understanding of issues.

Grignard's also raised concerns about the six positions being divided by regions. He also questioned whether the nominated substitutes for the 6 female positions must also be women.

Baehring informed the group. They had reservations about the idea of earmarking six seats on the Executive for women since representation on the Executive was based on the grass roots organisations in each country.

Zwickel supported the proposal that six women should be elected onto the Executive and, as a consequence, the Executive Committee would need to be enlarged to comprise 24 seats. So far, a recommendation had been made and they should support it in their capacity as members of the Executive. There was also the question of the Constitution which would have to be amended and the final decision lay with Congress.

He felt that they all agreed with the basic principles set out in respect of setting up an interim Women's Committee but, at the same time, they still needed to discuss how to establish these mandates. Proposals would have to go forward from the Executive to the Central Committee then to Congress which would then make a decision.

Roe commented that the key issue, to his mind, was that they should make a decision about expansion of the Executive Committee and he did not think that deciding there should be six seats reserved for women meant they were unhappy with the nomination of members of the Executive from the regions which had already been made.

Boukhvostau paid tribute to Holdcroft for all her good work. He considered it would be good to have a woman from each region on the Executive and this was the easiest way to distribute the seats.

Leahy pointed out that if they were taking into consideration proportionality of women relative to membership it was not necessary to have the same constituency as they had for electing other Executive members.

Charles Natili, KEWU, Kenya supported the proposal for six places for women on the Executive and wished to confirm that it would be up to the regions to select these representatives.

Antonio Regazzi, FLM (UILM-UIL) Italy, agreed with this proposal

Arya commented that the document was based on a resolution of the Congress so everyone should support it.

Baehring was in agreement with the proposal for a World Women's Committee but as regards the possibility of having special seats on the Executive he preferred to wait and see what would come out of the debate at the Congress.

Zwickel thought the discussion had clearly shown that there was general agreement with the proposal but in order to take this recommendation further, he summarised what had been said. The first proposal was to enlarge the IMF Executive Committee to comprise 24 seats, six of which would be specifically for women and he considered this proposal had been fully supported. He repeated this first proposition. Secondly, provided this Executive structure existed, a provisional Women's Committee would be set up and each of the six regions of the IMF should have two representatives on it. Regional and sub-regional organisations would be set up without delay. Thirdly, the Executive Committee supported the proposal that a World Women's Conference be held in due time in conjunction with a Congress at which the women delegates to the Executive would be elected and he suggested this meeting could take place the day before the Congress started. Fourthly, the decision-making bodies of the IMF, i.e., the Constitution Committee, Executive Committee, etc., should be given a mandate to draft proposals on the distribution of seats and establish the specifications for the Women's Committee and the Women's Conference, in advance of Congress. Regarding the other issues, including geographical distribution of the six seats, it was apparent that they did not want to decide on them that day as they required further discussion. He thought it crucial that the subject of women in the IMF had been discussed, based on political principles and this would help them to take the matter forward. These were the four proposals on which he asked them to vote.

## **LETTERS FROM EXECUTIVE COMMITTEE REGARDING ARGENTINA**

Malentacchi summarised what had happened since the last meeting. He wished to make it clear so that members understood that the IMF and its General Secretary did not intend to make any judgement on this subject but hoped to assist in bringing this item to a conclusion which would safeguard the reputation of IMF and only that. This was the objective of the discussion that day. In San Diego, Malentacchi had raised the subject in the Secretariat Report in order to dispell rumours and debate created by articles in the press which was damaging the reputation of the IMF and of many of its affiliated unions. He reminded the members that a recommendation to step aside was made to José Rodriguez which he obviously had not accepted. Nothing happened until two weeks before the Social Forum when he had received a request to meet with two members of SMATA of whom one had been a member at the plant during the time in question. Although he did not know them, he agreed to meet with them in Port Alegre where they had a long discussion and gave him a document, the existence of which he had been unaware. This was the notification of the judge ordering an inquiry into these activities and a copy of this document had been included in members' meeting files. A few days after the Port Alegre meeting, he discovered there had been another meeting organised by some of the affiliates who had been there, the result of which was a letter to the IMF General Secretary, (copy of which was also included in the meeting file), asking that this matter be put on the Agenda of the Executive Committee and that Rodriguez be suspended from the Committee pending the results of the inquiry into allegations made against him. This was end of January, beginning of February. Between February and April, the General Secretary had been in contact with several people in South America, trying to find out what was happening. He was also in contact with Velasquez, asking him if he could talk to José Rodriguez to find out if there was any way to resolve the problem without bringing it to the Executive Committee. At the beginning of April, after meetings held between the Latin American Regional Office, Velasquez and José Rodriguez, it became very clear that there was no possibility of resolving this without bringing the issue to the Executive Committee. On 22<sup>nd</sup> April, after discussion with the President, Malentacchi sent a letter to Rodriguez (copy in file) where he asked Rodriguez to step aside until a final judgement was received in Argentina. Malentacchi reiterated that neither the IMF nor anyone in the room was making any accusations. He added that asking Rodriguez to step aside was not expulsion, only asking him to do so while they continued to work. The case was against José Rodriguez, as General Secretary of the organisation and not against SMATA.

As mentioned in the letter before them, the longstanding partnership of the IMF and SMATA constituted really solid ground for future

work together both in Latin America and the rest of the world. If Rodriguez stepped aside, it would give them a much better possibility of defending the reputation of both the IMF and Rodriguez. As had been mentioned, the question was how much damage had been done by the entire debate in the newspapers and on the Web in Germany, in Argentina and in other countries (Financial Times and New York Times, etc.) The focus of the discussion should be on how they could avoid damaging the reputation of IMF. This was the primary worry and the only reason they had asked Rodriguez to step aside until the problem was resolved and there was a conclusion from the judicial system in Argentina.

Miguel Angel Quinteros, SMATA, spoke in support of his comrade Rodriguez and discussed the support given to Rodriguez by many Latin American unions.

Manuel Pardo, SMATA, Argentina, the Assistant General Secretary of SMATA did not agree with the view that the IMF's reputation had been jeopardised because of their union SMATA.

He also referred to a letter signed by three members of the Executive from Brazil, South Africa and the United States, and called for those three Executive members to substantiate the accusations he claimed were contained in the letter.

Fernando Lopes, CNM/CUT, Brazil, explained how the letter to the Executive came to be signed by the three IMF vice presidents. The purpose of the letter was not to accuse Rodriguez but to ensure the implications for the IMF were discussed by the Executive.

Pardo felt he had to read out the letter in order to remove any doubts about what was being said because it was more a question of what was not being said. He then read aloud the letter.

Nodwangu believed that this Executive Committee Meeting of the IMF, as clarified by Malentacchi at the beginning of this Item, could not be turned into an Argentinean Court of Law. Comrade Rodriguez had simply been requested to step aside temporarily, given the fact that there were serious allegations against him.

Charles Natili, KEWA, Kenya agreed with his brothers that the IMF had no legal stand to discuss this matter and they should await the judgement of the Argentine Court.

Velasquez noted that Latin American unions held a meeting recently in Santiago de Chile to discuss the matter and concluded that the explanations by Rodriguez were sufficiently clear.

He asked, on behalf of the Latin American affiliates, that Rodriguez not be relieved of his post but that a committee, under the auspices of the Executive Committee, be appointed to visit Argentina and that it should be responsible for clarifying this issue so that there would be no question mark hanging over the accusations directed towards José Rodriguez.

Regazzi believed the Secretary should be given a mandate from the Executive Committee to approach Rodriguez and insist on him stepping aside temporarily until the legal proceedings were complete.

Bukhvostau felt brother Rodriguez should step down or distance himself for the time being from his responsibilities pending clarification of the whole affair.

Quinteros stated that he understood they all agreed that the honour of the IMF must be protected. However, it was his unions' belief that the honour of SMATA was being attacked through Rodriguez, and that needed to be defended. However, if Rodriguez was to be expelled SMATA would leave the IMF.

Zwickel said that, on the one hand he understood the reaction, particularly that of the colleagues from Argentina but on the other hand they could not, either as the IMF or as the IMF Executive, act as though the situation had not changed since the last meeting in San Diego where this subject was touched on more or less spontaneously after allegations had been bandied back and forth. Then, he had taken the definite position that they could not clarify the issue that day and until evidence was produced to the contrary there was no need whatsoever for the IMF to make a decision. On the other hand, they had to note that since the meeting in San Diego the situation had changed as far as the IMF was concerned. He maintained that the IMF was not the originator of this debate and was not behind the public discussion of this matter that had taken place throughout the world in the meantime.

Secondly, they now had a specific recommendation from affiliates that Rodriguez be suspended therefore the situation as it stood that day, could not be compared to the situation at the time of the meeting in San Diego a few months previously. However, the IMF could not substantiate the truth of the accusations and therefore he strongly recommended against the suggestion of an internal IMF inquiry into the truth or otherwise of the accusations. On the other hand, they could not simply ignore what was being said publicly on an international scale because the debate no longer just concerned SMATA or Rodriguez. It was now much more focused on the IMF, mainly because of the headlines saying that the IMF was covering up these allegations; was covering up for its member, i.e. Rodriguez and

was covering up for one of its vice presidents. This was an allegation that they could not allow and could not ignore

Stillman reminded members that in San Diego he had made the point that José Rodríguez should be treated as innocent until he was proved guilty, if that did occur and he thought all there shared this principle.

Gringard supported the position adopted by Malentacchi without reservation and hoped that the Executive Committee would give clear support to the approach adopted.

McBrearty noted that at Porto Alegre questions were asked about the IMF's role in dealing with the accusations against Rodríguez, and the Executive was criticised for not having an open discussion about the accusations. He was very concerned and surprised that people, even from outside the Americas, were saying that the IMF was hiding behind this and there were accusations to the President that he did not want to open a discussion. McBrearty, as a member of the Executive, took a position, supported by brother Nondwangu, that they would bring this to the Committee so that there could be an open discussion on these accusations

Pardo reiterated that he believed that the IMF was protecting its reputation against allegations in the press which had no basis in fact or truth. He briefly explained why there was no truth to the accusations. He continued by stating that they were approaching the point at which they must spell things out because it appeared that the message had not been understood. They would relieve the IMF and this Executive Committee of having to vote or analyse the removal of Rodríguez because SMATA was disaffiliating and there was no need to consider whether José Rodríguez should stay or go. This disaffiliation would be put to the SMATA congress in November for approval.

Buffenbarger noted that transparency had been the hallmark of the IMF. They had to maintain that image, almost at any cost.

Zwickel reiterated his proposal for a decision by suggesting that the Executive Committee decided that until the allegations against José Rodríguez had been clarified, the IMF considered him to be innocent. At the same time the IMF must protect itself because the allegations against Rodríguez were also directed towards the IMF. The Executive Committee therefore should decide that until the allegations against Rodríguez were clarified he would be relieved of his duties within the IMF.

Zwickel believed that it was important to repeat his recommendation and to minute this very precisely. He read it out as follows:

Until the accusations against José Rodríguez have been legally clarified, he is considered innocent in the view of the IMF. At the same time, the IMF has to protect itself so that the accusations against José Rodríguez are not also directed at itself. Consequently, the Executive decides that until the legal clarification of the accusations against him has taken place, José Rodríguez is suspended from his functions in the IMF.

The President then declared that the vote had been taken and the proposal was carried with one abstention (Velásquez) and thanked everybody for taking part in this difficult but unfortunately necessary discussion and decision.

## **IMF ACTIVITIES WITH OTHER GLOBAL UNIONS**

Carla Coletti, International Officer, IMF stated that against the priorities and goals set by the Action Programme, the IMF had to develop a more systematic and closer cooperation with the other Global Union Federations, with the ICFTU and with TUAC, the Trade Union Advisory Committee to the OECD. Such cooperation must focus on some specific areas in particular. The international financial institutions, the WTO, the World Social Forum and the movements of the civil society were certainly the areas where IMF interaction with the international trade union movement was indispensable. However, IMF goals could not be achieved at the international level together with the other global unions and the ICFTU unless they were clearly on the agenda of the affiliates at national level vis-à-vis their respective national centres.

Coletti also discussed that affiliates' contribution should be developed mainly, if not exclusively, in mobilising the membership, through building alliances at not only international but national and local levels.

Coletti invited the Executive's comments on the following areas:

- What balance should be struck between merely seeking dialogue with the World Economic Forum as opposed to using organising as a means to achieve unions' objectives.
- The need to reform the influence of international financial institutions as against that of the ILO.
- The protection of public services from the risks embedded in GATS (General Agreement on Trade and Services) negotiations. In this sense their action in support of the Public Services International was a priority.

Strong requests should be made for employment generation to become a key instrument, and an indicator of success, of the poverty reduction strategy documents elaborated by the Bank and the Fund which still did not consider employment generation as a key element and even less an indicator of success of strategies to reduce poverty.

Coletti stated there was a need for unions to not present themselves as narrowly concerned solely with workers rights. On the contrary, they needed to make the metalworkers' voice clearly heard in support of a development agenda in which workers' rights' protection was linked to and a condition for sustainable development.

In conclusion, Coletti stated that they needed to push for the global unions, the ICFTU and the other sectoral federations, to develop a strategy to ensure that fundamental democratic rights became the indispensable frame of sustainable development and that employment, industrial policy and workers' rights became prominent in the debate of the World Social Forum and of all social movements.

BAEHRING considered their top priority must be to carve out a profile for themselves in the context of ongoing debate in the international arena. He also discussed the need to identify appropriate international partners to pursue the IMF's agenda.

Grignard supported the need to strengthen international trade union relations and exert more influence over the WTO and the financial institutions.

He went on to agree with the proposal to develop relations with civil society, but cautioned on the choice of partners due to sometimes competing short term objectives. As well, the lack of democracy or representativeness of some organisations should be examined. However, the arrangements unions do enter into should be more than mere dialogue but instead be cooperative relationships with joint objectives.

Roe commented on the point made by Coletti regarding the need to elaborate concrete proposals as an alternative to neo-liberal policies and felt this was a key weakness of the World Social Forum at the present time.

He remarked that one thing not dealt with in the two papers was the UN process around, for example, the World Summit on Sustainable Development.

With regard to the point in the paper about not engaging, in particular, with young people who were involved in working to develop an alternative to neo-liberal policies, they would be unable to develop effective working arrangements with those forces whilst key elements

of the trade union movement were seen to be on the inside of the tent at bodies like the World Economic Forum whilst they were outside protesting against those bodies and their policies.

Coletti thanked colleagues for their input.

The recommendations were then adopted.

## **APPLICATIONS FOR AFFILIATION**

The International Federation of Professional & Technical Engineers - IFPTE was accepted as an Affiliate Member.

## **FINANCIAL REPORT FOR 2002**

Malentacchi noted that the IMF had recorded a loss. The value of their portfolio had fallen by 2.5 million Swiss francs, however there was still reserves of 40 million Swiss francs. Revenue had fallen and they had 400,000 Swiss francs of arrears in affiliation fees. Spending was cut back once the loss of these fees was anticipated. It was planned to appoint a task force to study the different options for dealing with arrears in the run-up to Congress.

The net result of all this was that they had to dip into their Reserve Fund of 1 ½ million francs which was held to cover losses due to fluctuations on the markets, thus reducing the deficit to 1 million instead of 2 ½.

## **AUDIT REPORTS 2002**

Audit Reports for 2002 were adopted.

## **REPORT ON THE MEETING OF THE IMF FINANCE COMMITTEE**

The Executive endorsed that the Finance Committee should draw up some rules regarding IMF investments in shares and bonds.

## **DUES EXEMPTIONS**

Dues Exemptions were agreed as per the list, apart from that of Argentina.

## **NOMINATIONS: NEW MEMBERS OF IMF EXECUTIVE COMMITTEE**

Fernando Lopes, CNM-CUT, Brazil was accepted as a Member of the Executive Committee

## **CENTRAL COMMITTEE: THEME**

Brian Fredricks, Assistant General Secretary, IMF, spoke about the proposed theme for the Central Committee to be held in December: "Mobilising Toward An Alternative Economic Programme". He noted the Executive had already spent much time discussing how affiliates could mobilise their members in this respect. The Central Committee needed to consider something that would lead to concrete proposals for the IMF and affiliates to act on.

Zwickel felt the proposed theme should be supported. Central Committee needed to produce something which would be useful to affiliates for mobilising members. The Secretariat should distribute to affiliates for consideration, two months prior to Central Committee, a proposed programme for working towards this objective of mobilisation.

The Central Committee Theme was adopted.

## **DATE AND PLACE OF THE NEXT EXECUTIVE COMMITTEE MEETING**

Zwickel announced that the next Executive Committee Meeting would be held in Cape Town, South Africa. The dates for 2003 had already been agreed and also for the Congress in 2005.

For 2004, it was proposed to hold the Finance Committee Meeting on 12 May and Executive Committee on 12-13 May. The second Executive Committee Meeting would be held on 7-8 December, 2004.

### **3. REPORT ON ACTIVITIES BASED ON THE IMF ACTION PROGRAMME**

This chapter presents the activities of the IMF during 2001 to 2002. These activities, either funded directly by the IMF or with the help of external funds, are reported here in terms of how they fulfil the IMF's Action Programme.

During this period IMF project activities have had a marked focus of constructively building union capacity in many developing countries. Importantly, these activities appear to be fostering self-reliance amongst the target unions, although, unfortunately, this isn't universally true.

#### **3.1 GLOBAL STRUCTURES TO MEET GLOBAL CHALLENGES**

##### **International Trade Union Organisations**

The growing Information and Communication Technologies (ICT) sector is increasingly threatening the ability of unions to organise, due to the sector's strategy of outsourcing manufacturing to often non-unionised or greenfield sites. The ICT Task Force has been developing a range of activities in this sector, including an organizing project in a contract manufacturing firm, targeting and organising against outsourcing in a (to be nominated) prominent ICT transnational, and training seminars. Details of these activities, as well as the support of major affected IMF affiliates, still have to be developed.

##### **IMF World Councils**

The IMF operates a number of enterprise-based and industry-based committees for facilitating contact between officials and delegates internationally. These can play an important role in simply facilitating information sharing, or they are the basis for planning collective bargaining rounds on an enterprise basis. Some are ongoing councils, others are ad hoc groups which meet on an as-needs basis.

IMF World Company Councils have been active in building critical capacities as implemented through the enterprise council guidelines

and Action Programme objectives. These serve as world level information and consultation bodies, acting as an important instrument of dialogue between TNCs and the unions on a global level. These bodies, which aim for company recognition and funding, as permitted by applicable national legislation, play an important role with respect to International Framework Agreement to promote workers' rights in the global operations of transnational corporations. Successfully restructuring IMF World Councils is a critical, ongoing part of the Action Plan strategy for confronting adverse consequences of TNCs operating under globalized, neoliberal rules.

IMF groupings that met during this period were:

- Electrical and Electronics Industry Steering Committee (and the General Electric Task Force which met as a subgroup of the E&E Steering Committee)
- Steel Industry Steering Group
- Ship Building Working Group
- World Aerospace Conference
- Auto Industry Working Group
- Volkswagen
- Fiat
- Volvo
- General Motors
- Ford
- SKF World Union Committee
- Philips
- ABB

In addition, preparatory work has started on establishing similar forums for Kone and Nokia. Both of these are case studies on organising in a global economy. European affiliates involved in both TNCs recognised the need for close cooperation with affiliates in Latin America where the TNCs have operations. Similarly, the merger of BHP and Billiton brought about a meeting of national officials from unions in southern Africa and Australia with a view to closer ties between unions.

Underlining the work of these world committees is the IMF's working party on TNCs and International Framework Agreements. An outcome of this group has been the development of benchmarks on core labour standards for TNCs.

During 2002 the drive for negotiating and signing International Framework Agreements with TNCs sped up. The first was the Italian company Merloni (household appliances). Then two big German world players in the Auto-Industry - Volkswagen and DaimlerChrysler - signed agreements with the respective workers

groups, Global Works' Council (Volkswagen) and the World Employees Committee (DaimlerChrysler), and with the IMF. Other companies to sign agreements with the IMF are Leoni - a producer of auto parts and computer cables - and the German firm GEA, which is active in the engineering industry.

The IMF has established a programme of turning the IMF Auto Industry World Council into working and problem-solving bodies. This is being achieved by moving from large, unstructured World Councils to smaller World Union Committees, in which countries or regions have defined representation. Regional auto meetings, held for the first time last year and again in 2003 in the Latin American and Asia-Pacific Regions, brought together participants who share regional, sector and company concerns and information. Regional industry and company-based networks were established successfully. Latest developments in the world situation of the world automotive industry were presented. Grouped by TNCs, and for subsequent analysis in the plenary, the participants also identified the main problems confronting them in their union work and discussed how to tackle them, representing useful steps toward implementation of IMF World Council guidelines.

Prior to launching regional auto conferences, separate company-level regional meetings were held, including ones for the GM-Fiat and the Ford-based alliances in Latin America in 2001. These meetings, together with a research project on the auto industry helped crystallize the benefits of regional auto conferences for successfully restructuring IMF World Councils.

## **Regional Conferences**

The IMF operates two types of regional forums - industry or enterprise councils and regional and sub-regional meetings for all affiliates in the specific region.

The outcome of these meetings increasingly involves concrete planning for activities, rather than solely being a forum for country reports or directionless discussion. This must become a focus of these committees in the face of local enterprises operating within the global economy. The adoption of the new Action Programme has helped focus regional and sub-regional meetings more on outcomes, with the hope of increasing the capacity of affiliates to recruit, organise and bargain.

## **Industry and enterprise-based committees**

### *Africa*

The BHP-Billiton Regional Council meeting held its initial meeting of about 50 shop stewards from 18 companies with membership of 4000 in Southern Africa. The long-term objective is to establish a World Council. The initial meeting focused mostly on the Mozal dispute.

A follow-up meeting of delegates from the TNC Metal Box was held. Its been proposed that the meeting expand to include all metal/can manufacturers in the region.

### *Latin America and Caribbean*

There are several industry groups operating in this region:

- Aluminium
- Iron and Steel
- Automotive

These have only recently been set up, based on initial IMF research into the local industries - with information gathered on assembly plants, direct suppliers, and the union building challenges confronting trade unions at each location identified. Initial activities have focused on networking and building communication links between shop stewards.

## **Regional Conferences and Sub-Regional Committees**

### *Africa*

Africa is divided into four IMF sub-regions.

East and Southern Africa have been operating for some time and increasingly they have taken on a more meaningful purpose. The East Africa sub-region has progressed in terms of building greater unity among affiliates, with the five unions having now formed a coordinating structure. The Southern Africa Sub-region is fairly well developed and discussion is more focussed on the implementing IMF Action Programme. The sub-region is beginning to implement the Action Programme goals, especially developing solidarity amongst affiliates. Stronger unions like NUMSA are beginning to share their resources and expertise with weaker unions e.g. Swaziland and a joint NUMSA/TUICO (Tanzania) activity is planned.

West Africa has not met during the period covered by this report.

The first sub-regional meeting for North Africa took place in December 2002, attended by meeting affiliates from Algeria, Morocco, Tunisia and Egypt. As it was an inaugural meeting, discussion was wide-ranging. It shows they face industrial issues which are common to most sub-regions, whereas others are unique:

- High level unemployment especially the young people
- Privatisation programmes in Egypt and Algeria.
- Outsourcing of production to North Africa by European electronic and car suppliers. Some are TNCs with their own facilities (Opel, GE, Renault ), while others sub-contracts to little or medium firms.
- Lack of trade and cooperation between the States in the region due to political problems (Conflict Algeria-Morocco on Sahara). Trade links are mainly with Europe.
- High level of women employed in the electronic and wire harness sector (more than 50%).
- Lack of democratic rights and low respect for human rights all over the region
- Civil war in Algeria and its consequences in the area.
- Mass migration of young workers to Europe (e.g. France, Italy and Spain)
- Strong social activities by Islamic associations: an Islamic union has been set up in Morocco. Tensions in some countries exist with Islamic fundamentalism groups.

The regional Coordinating Committee meets annually, allowing the Executive Members from Africa and Co-ordinators of the various Sub-Regions to meet. These meetings have been very fruitful because they assist both the region and head office to understand the challenges facing each sub-region and to plan for the whole continent.

### *Latin America and Caribbean*

There are four operating sub-regional committees in this region:

- Central America
- Andean Pact Countries
- Caribbean
- Southern Cone

The outcomes of these meetings, which mostly looked at implementing the Action Programme, were assessed and coordinated by the overarching Latin America and Caribbean Regional Conference (LACREC).

An extraordinary meeting was held of the Latin America & Caribbean Regional Conference (LACREC) in October 2002, with 32 unions represented. The major outcome was that affiliates acknowledged they need to restructure in order to cope with the challenge of organising workers in EPZs. Unions also committed themselves to promoting women within their structures.

### *Asia and the Pacific*

This region is divided into the following sub-regions:

- East Asia
- South Asia
- Southeast Asia-Pacific

These committees each met during the period covered by this report. Prior to the South Asia sub-group a Regional Workshop was held on “Uniting the Metalworkers’ Organisations”. Consensus was reached at the workshop to increasingly carry out joint activities such as committees, education and, wherever possible, merger of unions at plant level. All of this is aimed at ultimately merging the unions at state and national levels.

In 2001 the Asia-Pacific Regional Conference (APREC) was held in Kuala Lumpur. This was preceded by a Conference on Education, Organising and Communication, which had been held in the Americas in 1999 and Africa in 2000. Over 80 participants from 26 unions attended this conference.

The Southeast Asia-Pacific sub-regional meeting in 2002 was preceded by a specially-convened Women’s Pre-meeting, from which several women then attended the sub-regional meeting. A resolution arising from the meeting was that, in collective bargaining, priority should be given to include women in negotiating teams and improving conditions specific to women workers. Similarly, the March 2001 meeting of the East Asia group made a special call for greater involvement of women, resulting in 11 of the 29 participants being women.

The 2002 Southeast Asia-Pacific meeting also focused on the rights of workers in the communist states of China and Vietnam. Observers were present from the Vietnam National Union of Industrial Workers, who are invited to IMF meetings in the region. Delegates agreed that closer links needed to be built with Chinese unions, given the increasing competition of local manufacturing with Chinese-produced goods. During discussion it was found that there is no metal and engineering TNC based in South Asia which has invested in China.

However, despite many of the representatives of affiliates having visited China on the invitation of the All Chinese Federation of Trade Unions, as fraternal delegates during May Day celebrations, little was known about the operations of Chinese trade unions.

It is worth noting that the IMF sent a mission to Vietnam in 2002. Meetings were held with the Vietnam National Union of Industrial Workers (VNUIW) and some plant unions. The conclusion from the mission is that the IMF should maintain friendly relations with the VNUIW and hold seminars on the IMF Action Programme.

### *Central, Eastern and Southeast Europe*

Sub-regional councils have been meeting in the:

- Baltic states
- CIS
- Southeast Europe
- Central Europe/Visegrad Countries

In most of the CIS countries we have a large number of unions operating within the one sector, if not the one enterprise. Prior to affiliating with the IMF we are encouraging unions to carefully examine possible mergers or to organize some consultative body, which can be the basis of an IMF national council or new union. At the most recent meeting 15 affiliates attended.

The IMF sub-regional structure for Baltic States has only recently been established. The coordinator for the sub-region has been elected. The structure is still being developed, but the IMF's Action Programme is being used a framework for discussion and activity.

In 2002 the five affiliates making up the Central Europe sub-region met for the first time. These unions have been meeting pre-IMF affiliation and the level of cooperation between them is already high.

Some of the major issues they face include the transition to a market economy, their countries' imminent entry to the European Union and the presence of TNCs. For example, in the metal sector alone there are more than 150 TNCs present in the Czech Republic.

However, a problem raised is the overlap but lack of integration between the IMF and EMF. From the IMF's point of view the IMF sees itself as focused on assisting with the interaction of global forces with the sub-region without interfering in the EMF's activities concerning EU enlargement. A concrete by-product of this is that there is duplication between meetings of the EMF "Visegrad group"

and IMF's sub-region. It was suggested to invite East European affiliates to attend IMF sub-regional meetings as observers in order to increase dialogue between those sub-regions, and to invite the IMF to the EMF Visegrad meetings.

### *South Eastern Europe*

This region is undergoing huge restructuring, both physically in the aftermath of civil wars and economically in the move to market economies. The tensions between the former members of Yugoslavia has lead to a low level of economic cooperation between the States, and this is exacerbated by continuing ethnic tensions. With this background the sub-regional conference in 2000 adopted some fundamental principles:

- Unions must be in the front line in the reconstruction of cooperative relationships in the region: this implies a clear commitment to anti-nationalism and racism and to cooperative relationships between affiliates.
- Acceptance of the Stability Pact framework as reference for the design and implementation of activity in the region.

Two years later at its meeting in 2002 the group assessed there has been constructive progress towards greater active cooperation, with increasing dialogue, joint training, changing union structures, and links with unions outside the region.

## **IMF Country Councils & Trade Unions at National Level**

Of those countries where there is more than one IMF affiliate there is a much smaller number with Country Councils. The purpose of these councils is to unify the activities of affiliates within the one country, where often demarcation disputes, competition for membership and political alliances inhibit cooperation. This is particularly true when they are present in the same TNC or regional area and have extensive commonality of industrial interests. In some cases the optimum outcome is for unions to merge.

In reporting on the IMF activities in individual countries it is clear that much of our work is focused on unifying affiliate unions, whether or not a Country Council exists. Often the discussion at Country Council focuses, at the very least, on building "cooperation" between unions

or, where there is greater optimism, on encouraging mergers. Many of our seminars and conferences in the absence of a Country Council tend to aim at the same outcomes, usually with the establishment of a Country Council as a first step.

With this in mind, and for a more cohesive report, the two Action Programme headings of Country Councils and Trade Unions at National Level are presented together.

Having said that, the overall goal of IMF assistance is clearly union-building. In many countries this requires basic skills development - union management, organising and training skills, developing research capacity, etc. As is clear from the report below, rather than mergers and cooperation the IMF's focus at times must be establishing the basic building blocks of unionism.

In the context of promoting national unions and mergers, there are times when the IMF must carefully examine whether its activities cease being 'facilitation' and become 'intervention'. As was the case of Serikat Pekerja Metal Indonesia (discussed below), the IMF at times supports and fosters a new union at the expense of another union. Similar circumstances exist in the Philippines and Belarus, also discussed below. The fundamental issue for the IMF is clear, however. We are responsible for how IMF affiliation fees are used, and IMF affiliates expect this to be in the promotion of independent and accountable trade unionism. Where the IMF believes an existing union is not and will not be capable in the future of fulfilling those expectations, the IMF is obligated to promote union principles through other structures in that country.

## *Asia*

### *South Asia*

The Indian Council held several meetings over the period of this report. All affiliates have committed themselves to a Code of Conduct between IMF affiliates operating in TNCs, applying from shop floor to national officials. To strengthen the Council a separate fund will be contributed to by the affiliates. Similarly, a previous workshop for affiliates operating in TNCs in Pune seriously examined the demarcation and communication problems between themselves and then moved to set up a coordinating committee.

In 2001 a seminar "Emerging Challenges before the Trade Unions" was held in India for affiliates. This was aimed at building greater solidarity and making IMF-IC a self-sufficient body. However, in a

follow-up conference in 2002 a review was made of whether decisions from previous meetings had been carried out. It showed that progress has been slow. This requires further attention. The second seminar in 2002 showed that middle level officials are keen on unifying their unions but the political affiliations of individual unions inhibits real progress.

Seminars and workshops between affiliates were also held in Bangladesh and Sri Lanka. There is no Country Council in these countries but the IMF continues to convene joint meetings for each country's two affiliates. Similar to the situation in India, the unions in Bangladesh and Sri Lanka are closely aligned with different political parties. There was some acknowledgement by participants that this is the major stumbling block to merging, but the next step of acting on this may be some time away.

In Nepal a workshop on collective bargaining was held in 2001 for 30 officials associated with the NFLC. This same course was held for Indonesian affiliates (see below) and, as in that case, although the course focused on collective bargaining the skills and knowledge imparted had the wider goal of union building.

### *East Asia*

A joint HKTUC-MCC and CMIU seminar was held in Hong Kong to enhance cooperation between these two Kong affiliates, who have had historically entrenched divisions. A similar seminar, attended by 150 officials and delegates, was held in Korea between the FKMTU and the KMWF. There has also been some Occupational Health and Safety training sponsored by the IMF for affiliates of these two Korean federations.

In 2002 a course was delivered to officials and local activists from unions operating in KIA, Hyundai, Ssang-yong and Daewoo, all of which are affiliated to the Korean Metal Workers Federation (KMWF). It focused on analysing current management strategies and industrial relations practices, patterns of production in overseas countries and their impact on industrial relations, and strategies to strengthen solidarity between the four unions. This course was in part aimed at strengthening progress towards mergers between the unions.

Taiwan affiliates have experienced a loss of more than half of their membership since the early 1990s as metal companies have relocated their production to China. The Country Council has continued to operate but a revitalisation was felt necessary. Two seminars were held for 160 participants but there was little in the way of concrete proposals for restructuring arising from the forums. Due to SARS activities have since been delayed, but two seminars on restructuring

and strengthening of the IMF-ROCC will be organised by the end of 2003.

### *Southeast Asia*

The Confederation of Thailand Electrical Appliance, Automobile and Metal Workers (TEAM) was formally affiliated to the IMF at the last Congress. The IMF actively supports it in union building and organising activities, in association with SASK, the Finish Metal Union and Finnish Engineers Union. With only approximately 300,000 Thai workers unionized into more than 1100 in-house unions and nine national centres in Thailand, TEAM has, since its inception in 2000, emerged as a fairly large organization with approximately 30,000 members.

After the expulsion of LEM-Jakarta from the IMF a new union called Serikat Pekerja Metal Indonesia (SPMI) was formed with active support from the IMF. Since its inception the IMF has been involved in assisting this union to become a strong national organization. In 2002 the IMF conducted two workshops to inculcate self-supporting values among senior officers of this union. Arising from this exercise the membership has grown and further dues collection has also improved.

The IMF has also been assisting Lomenik-SBSI, which was outlawed during the Suharto era. The IMF has been actively encouraging this union to become much more independent and self-sufficient. As it stands, it is overly dependent on the national centre SBSI for its survival, with the SBSI holding a tight grip for political reasons. However, the problems associated with this control were noted in the IMF report to the Central Committee meeting in 2000; and despite all the assistance given to this union from its inception in 1998 progress appears rather slow. Partly it is due to in-fighting and factions within the ranks of its leadership and the controlling factor of the national organization. It was due to these reasons their application for affiliation is still kept in abeyance. The IMF intends to continue its efforts to assist this union where possible.

In 2001 two courses of 4 days were held jointly for the two Indonesian unions mentioned above - SPMI and Lomenik-SBSI - on collective bargaining. Although based on the theme of collective bargaining, the course developed general union skills - negotiating, union building, organising for bargaining, reporting back, etc. Ensuring that key activists had these skills was seen as essential for the development of these two unions.

Despite IMF support our affiliate the IMF-Philippines is not progressing into a representative, independent and democratic national union, partly, it seems, due to a lack of initiative on the part of the leadership. Under the circumstances the IMF initiated moves to assist the formation of a new metalworkers union in the Philippines. The IMF is presently working with several independent unions in the metal sector to form an alliance of metal unions. In this context two workshops were conducted in 2002 for several independent unions in the automobile, electrical and electronics and metal sector. Arising from this, two more union building workshops for potential unions were to be held in 2003. It is hoped that, by the end of 2003, a new union would be formed.

### *Africa*

There are no Country Councils operating in Africa. Much of the IMF's activities in the region are focused on union building or on consolidating many weak unions into a merged union. Below are some examples and more expanded reports appearing under the section "National Unions".

In Kenya a 2001 workshop on organising, participation of women and trade union cooperation received good feedback from participants. They also expressed the view that the multiplicity of unions in the industry impedes organising and recruitment. The Kenyan National union centre, COTU, has since begun a process to facilitate merger.

An educational seminar was held in 2002 for 70 participants from the Nigerian Labour Congress but people also came from the Ghana TUC and COSATU. This was an opportunity to re-establish links with the Nigerian Metalworkers, which resulted in an undertaking that the union will take part in the West Africa sub-regional activities.

A project involving several Southern African affiliates (Mozambique, Namibia, Zimbabwe and potential affiliates in Swaziland), was carried out from 2000 to 2002, with the objective of consolidating the unions at national level and seeking mergers where possible.

The IMF does not have an affiliate in Swaziland but since 2000 we are working with five unions to build up awareness on the need to unify manufacturing unions at National level. However, the political situation in the country and severe anti-union governmental actions, have consistently challenged these attempts, as has a lack of leadership at the national level. In 2002, NUMSA committed a resource person to assist the IMF regional office in building up the new structures to help drive the mergers. The merger Congress took

place in 2003, and the scope of the new union covers mining, metal, engineering, motor, construction, commercial and manufacturing workers. Further activities have been scheduled for 2003.

In Zimbabwe the IMF affiliate is now called ZIMU and they are also in the process of finalizing the merger of five unions. After a protracted effort 12 regional branches were formed and officials elected. Of note was that in 2 branches the respective presidents were not elected. The merger of five unions in Zimbabwe in 2000 has progressed slowly. The Government has refused the union registration because it is politically independent. In the tense anti-democratic climate the government has created it has been difficult to dedicate resources to finalise the merger. Financial consolidation of the unions is not complete, and so it cannot be said that there is a 'national' union as yet.

In Namibia, workshops and training for the newly elected Central committee members, union officials and leadership was carried out in 2001, immediately after the MANWU Congress.

In Mozambique, internal problems related to the Mozal/Billiton dispute paralysed all project activities in 2002.

South-South training workshops for women workers, involving two Portuguese-speaking countries in Africa (Angola and Mozambique) and educators from our Brazilian affiliate CNM were carried out in 2002-2003. The workshops focused on the situation of women in their unions and in society, on skills and strategies to organise more women to participate in their unions and on building solidarity and education co-operation among the IMF Portuguese speaking affiliates.

### *Latin America and Caribbean*

Country Councils have been established and are operating in the following countries:

- Mexico
- Argentina
- Chile
- Colombia

The Mexico Country Council was established in 2002, under the banner of the IMF Metallurgical National Council. The council has fostered better coordination between affiliates but has also become the focal point for liaison with unions not affiliated with the IMF. The Country Council has had held discussions about the Maquiladoras and

for coordination of activities in the EPZs (see the section “Organising the Unorganised, below”).

Since 2000 externally funded projects have been carried out with the AOMA in Argentina, the FTC and CONSFETEMA in Chile and FETIMAP in Peru, each of which is involved in the copper, gold and silver industries. The aims of these projects have been to develop the participation of unions in joint prospecting projects and governmental agreements related to the sector, develop a sub regional strategy to defend workers’ rights, increase health and safety and environmental awareness and strengthen the organising capacity of each union. The mining unions in Latin America which used to be powerful in traditional state-owned production work schemes, also have to face the challenge of major TNC’s operating in each country, which have dramatically changed the rules of the game. Highly sophisticated new technologies have reduced the formal workforce, sub-contracting is the rule, with untenable working hours and conditions and a modification of collective bargaining processes. Our affiliates are now meeting and communicating on a regular basis aiming to create a strategic co-ordination network. To date it is felt these projects have been successful and are being continued. A measure of progress so far is increased union membership, greater interaction and solidarity action between the unions and constructive sub-regional meetings have been held.

A similar project has been running the Andean sub-region in Venezuela, Colombia, Ecuador and Peru. In Peru organising and training activities have concentrated in free trade zones where 5000 non-organised workers are employed. This led to the creation of a new union affiliated to the national federation. In contrast, in Colombia the objectives were based on existing union structures, leading to the creation of a Country Council in 2001.

In 2002 a sub-regional organising project based in Panamá, Guatemala, Honduras and Dominican Republic was completed, ending 5 years of work. A project co-ordinating committee was formed with representatives from all the participating unions, as well as having representatives from affiliates in Nicaragua. The committee was important to improving communication between affiliates and to building solidarity. In 2002, 1836 workers in total participated in project activities. Nevertheless the project had uneven results across the different countries.

In the Dominican Republic, FENATRAMIM amended its structures to be able to include workers from the informal sector: approximately 2000 new members were recruited over the 5 years. Special emphasis was placed on organizing female metalworkers in EPZ areas. This was coupled with efforts to integrate women into union structures, and

with the creation of working groups to focus on organising women in the EPZs. Panamá, FENATRAMET has recruited some 1500 new members and has a team of 6 trainers. In both countries affiliates have started to reserve funds to implement their own education workshops.

In Guatemala no project activities were held during 2001 and 2002 due to severe labour disputes and the closing down of many major companies. During 2001 project activities in Honduras focused on strengthening the internal capacity of the unions in FETRAMIMH, and this was followed in 2002 with a focus on enterprise bargaining.

An external evaluation of the project period from 1998-2002 was held in 2003 and has produced recommendations to develop a long-term strategy for the region.

### *CIS and Baltic countries*

In these two sub-regions there are 18 affiliates with around 4.5 million members. There are 3 affiliates from Baltic States, 2 from Belarus, 5 from Russia, 7 from Ukraine, and 1 from Moldavia.

Since 2001 there has been an operating country council in Belarus, Russia and Ukraine. At this stage the IMF is focused on developing union skills in the region, so moves towards mergers are not advanced. Attempts have been made to establish a council in Ukraine but the seven IMF affiliates are resistant to carrying out joint activities with the IMF. Instead the Euro-Asian Metalworkers Federation has become active in the country and affiliates are focusing their activities around the Federation.

In the Baltic States there are low levels of unionization - between 13 to 30% - usually because enterprises prohibit unions. Clearly, these unions are not strong. In the CIS union density is much higher - 70-95% - but with low real incomes for workers the unions themselves are not well resourced, relying on external donors to fund basic activities such as training and research. The result is the same - weak unions. Added to this are the realities of organising in the post-Soviet era: there is not a great understanding of how unions can operate in a market economy.

This means the IMF's activities must focus on union-building in these regions. Using IMF funds we are currently managing three projects on organising in the Baltic States and seven on education in the CIS. All projects are for three or more years. In the year 2002 seven projects commenced of training trainers in Russia and Ukraine.

However, to expand these education programmes the union will need to rely on additional funds from IMF affiliates outside the region. Support in the Baltic region is currently limited to IMF affiliates from Scandinavia, which have traditional links to the Baltic region. In the CIS sub-region support comes from IG-Metall, FO (France), Fellesforbundet (Norway) and FTMH (Switzerland).

### **Training and Education**

The difficulty in reporting activities against the Action Programme is that there is such great overlap between the outcomes and objectives of any one activity. This is becomes clearest when looking at training activities. The IMF carries out an extensive programme of training with its affiliates. In the majority of cases this training has already been listed, particularly in the context of developing the organising capacity of individual unions, as discussed in the previous section on Country Councils and Trade Unions at National level.

Rather than duplicate training referred to elsewhere, it would be of more assistance to outline some specific examples of education programmes being delivered. In particular, the training referred to here tends to be skills-based or education about labour laws, etc. This is in contrast to some seminars, which are focused on strengthening union structures or solidarity.

During 2001 and 2002, the IMF has provided training on project administration, monitoring and reporting in several IMF Regional offices (Santiago de Chile, Johannesburg, Moscow) other regional offices will receive training in 2003. Special emphasis was put on the importance of including the affiliates in the whole planning process from the very beginning and carrying out an analysis of the needs of our affiliates in relation to the implementation of the IMF Action Programme.

Korea - a 3-day course on OH&S compensation and insurance and developments in injuries, which are being recognised as work-related.

India - National Educators Workshop for 26 participants: several outstanding trainers were identified, but it is feared that the affiliates' financial restraints will limit the delivery of training to members and activists.

India - Leadership development seminars: Eight of these seminars have been held for around 200 activists and delegates at plant level. Participants were mostly young and were chosen for their enthusiasm and leadership potential.

India - Workshop on the new IMF Action Programme: This was delivered for 43 middle level officials of plant unions. It was successful in providing direction to the officials in terms of organising within their own plants.

Latin America and Caribbean - Seminar on training trainers from across the region: the training was delivered by trainers previously trained at IMF courses, which in turn consolidated their own skills. The course also allowed trainers to share resources and to encourage standardisation of education material.

Russia - Training trainers: intended for 60 trainers from four affiliates, it ultimately trained 120 trainers.

Russia - Accession to the WTO: affiliates were educated about the WTO, the social and industrial implications of Russia joining the organisation and the process involved.

Moldavia - Training trainers on collective bargaining techniques.

South Africa - One week follow-up workshop for educators who were trained the previous year and who are operating in Asia and Africa. Most of the participants have been active in their unions and some have been used by the Regional Office to conduct training.

Namibia - General skills training for the leadership of the new Namibian federation MANWU: organising skills, grievance handling, trade union administration and finances.

Angola - Seminar on changes to Angolan labour laws: attended by 15 officials, the course was in part flawed by being delivered by advisors to the government, which prevented a frank analysis being presented to participants.

Angola - Workshop on grievance handling and union administration and finances for union leaders from FSIMEQ.

Angola-Mozambique - As already mentioned, training workshops for women workers, held in Maputo, Mozambique in 2002, in Luanda, Angola 2003, with the participation of CNM-CUT specialised educators.

Geneva - Working party meeting on Education: held in 2001 it reviewed training activities during the period since the last Congress, future activities, external funding and dealing with TNCs.

Geneva - IMF Summer School: Held in 2001, 2002 and 2003, it aims to train 'young' officials with good leadership potential from around

the world. Around 20-22 participants about 15 countries are chosen from applicants.

## **Information Network & IMF Communications System**

During the period for this report, the IMF continued to publish its magazine *Metal World* (in 3 languages with a print run of 6,500). The magazine, which provides news, in-depth analysis and features, is an important information channel for the IMF and a vital complement to our online communications. For many affiliates, it is even a necessary alternative, as they have no Internet access. In 2003, a sub-standard distribution arrangement was remedied, decreasing the average time of distribution from 2 months (!) to 2 weeks.

In addition to *Metal World*, the Communications Department has produced or assisted in producing other print material, including a 16-page IMF presentation booklet and a leaflet on International Framework Agreements.

A project to develop an IMF profile was initiated in 2002 to provide a uniform appearance for IMF publications and stationery - the same typeset, logo, colours, etc - to make them identifiably IMF material. The programme is well on its way to being implemented for publications and IMF stationery.

During the IMF global campaign *Day of Action for Korea*, in January and June 2002, in support of jailed Korean trade union officials (see additional details in the section “International Solidarity”, below), the communications unit developed its campaigning expertise, - getting news of the campaign into the world’s media, liaising with reporters and thus promoting the issue. It also played a critical role in resourcing media officers of affiliates.

More than 30 media outlets around the world reported about the Day of Action for Korea. All in all, IMF affiliates in 65 countries took part in solidarity actions, either in January or in June. Affiliates stressed that through the IMF website and News Briefs, it had been possible to foresee what would happen around the world on the Day of Action.

The IMF website - [www.imfmetal.org](http://www.imfmetal.org) - with roughly 3,000 visitors a week has been continuously developed and improved. Its objective is to keep affiliates and other stakeholders informed on IMF activities and trade union practices. A special section on International Framework Agreements (in four languages), as well as a section on “Union Women”, were added in 2002.

During the last two years, great effort has been put into improving the capacity of the website to handle multiple languages. In connection with the *Day of Action for Korea* the IMF was able to present information in Korean. A Russian-language website was launched in December 2002. In 2003, further content was added for all official IMF languages. Most recently, there is also a regularly updated news section in French, adding to the English, Spanish and Russian news service.

News published on the website form the basis of the regular newsletter *IMF NewsBriefs*. It has approximately 500 subscribers, and in 2002 more than 30 issues (in English and Spanish) were distributed, via e-mail and fax.

In 2003, the IFBWW joined the IMF web platform. Concretely, this means that the two GUFs can share future development costs, and also pool other resources. This kind of cooperation is something most trade unions and Global Union Federations talk about, but few practice.

## **3.2 SOLIDARITY AND ORGANISING**

### **Collective bargaining**

Again, many of the IMF's activities could be placed under this heading but instead appear under headings such as National Unions or Training and Education. What appears here are mostly projects designed to resource unions involved in collective bargaining.

Starting in 2002 the IMF commenced a 3-year project on stress prevention with the active involvement of affiliated unions. Evidence has shown that stress is not a topic for itself but is linked with other workplace issues such as, for example, enterprise restructuring and employment, working time, continuous training and skills development, control and participation and flexible work practices. The aim of this project is, first, to address and reduce levels of stress in selected enterprises and, second, to produce a resource of guidelines for risk assessment and preventative practices. This will assist unions seeking to ensure that occupational stress is appropriately tackled and part of the collective bargaining process.

The IMF Survey on Purchasing Power of Working Time - An International Comparison - was published in September 2002 in English, German, Spanish and French and sent to all affiliates. With a

total of sixty-eight countries included, it is a valuable source of information on the real comparative value of the metalworkers' wages within the global metal industry. The report is also available on the IMF website.

The Latin America and Caribbean office has produced a handbook on Collective Bargaining, New Production Scheme and Health and Safety. This is based on discussions of delegates and officials at workshops held in Uruguay and Costa Rica.

## **International Solidarity**

This heading takes in any activity, which builds closer links between affiliates across national boundaries. Many of these have been outlined in other sections such as World Councils, and Regional and sub-regional councils. This section will instead focus on the IMF's campaigning capacity.

The IMF has on many occasions in the past run international solidarity campaigns with mixed results. Our affiliates span the full range of resources and capacity, from fledgling unions in developing economies to large, powerful organisations in developed countries. So, the capacity of affiliates to respond to campaign defines the limits of that campaign.

If the campaign is of short notice then affiliates without fax or Internet connection cannot participate. Equally, some unions, despite significant resources, do not appear to respond quickly or act with initiative to a mere request for action. Insularity is an issue the IMF must, over time, address amongst its affiliates in order to build international solidarity.

This in itself raises questions about the role of the IMF into the future, particularly with expanding globalisation. National unions as they grow increasingly need to organise single enterprises over many geographical sites and build solidarity across those sites: that is the nature of collective action and unionism. With the growth of TNCs to what extent will the IMF take on a comparable role? Following the *Day of Action for Korea* the IMF initiated an International Advisory Group to develop guidelines for campaigning. One action taken from the meetings was to survey affiliates on their views on IMF campaigning. No response was received.

In 2002 the IMF launched a campaign in support of jailed South Korean unionists. Two separate Days of Action were arranged, one in January, one in June. In any campaign, communications is a vital part

- both when it comes to coordinate the work of affiliates involved and in building media interest. Between the two action days, the IMF clearly improved its performance in this regard. It took the initiative in contacting affiliates prior to the second Day of Action to find out what, if anything, was planned, which in turn prompted some unions to turn their attention to the issue. This was then used in briefing the media in advance, allowing a coordinated, proactive campaign. As a result of the second Day of Action Mun Sung-Hyun, former President of the KMWU, was released from prison.

## **Organising the Unorganised**

Broadly speaking, the IMF's activities in organising the unorganised concentrate on four main categories:

- Emerging industry sectors
- Expanding labour categories - such as non-manual workers
- Growth in employment of women
- Geographical areas with low union density

The majority of activities listed under this heading tend to be education-based seminars. This is in contrast to many of the activities listed in earlier sections where the outcome had been greater cooperation of unions, setting up of councils, etc. But, in reality, these activities usually aim at the same outcome - organising the unorganised (or less organised).

### *Non-manual workers and the ICT sector*

In 2002 the IMF conducted a two-day seminar in England on Organising Non-Manual workers, which gathered some 50 participants from North America, Europe, Japan and Singapore. As manufacturing becomes more technology intensive, traditional production are jobs eliminated and, in turn, there is a growth in jobs for more highly trained or qualified workers. As well, changing technologies has seen the growth of the Information and Communications Technologies (ICT) sector, which lacks the tradition of unionism found in the manufacturing sector. This means that, globally, non-manual/white collar workers will account for an ever-increasing share of the labour force. In some metal companies they have already outnumbered production workers.

On the other hand, non-manual workers are generally less organised than manual workers and, as experience shows, they are more difficult to recruit. At the Organising Non-Manual seminar it was emphasised

that more highly qualified employees believe they do not need union protection and prefer to negotiate individually for their conditions, believing they can get themselves a better deal. In the context of this prevailing mentality the seminar focused, amongst other things, on new organising techniques for recruiting in this sector. Whilst securing collective regulations and protections, unions must reflect on innovative ways to provide personal help and services to be able to respond to the needs and expectations of a changing membership. A report in English, German and French was sent to all affiliates and placed on the IMF Website.

### *Latin America and Caribbean*

A project to strengthening the presence of unions in the Mexican maquiladoras (EPZs) is being supported by the IMF. Due to aggressive anti-union TNCs, a lack of labour protections and precarious economic conditions, workers are poorly organised. The project has two goals. First, encouraging small local unions to merge with each other or to affiliate with the Mexico National Council, thereby building greater financial viability and strength. Second, supporting them in organising in EPZs. A focus of the project is to promote the participation of women in unions at all levels.

As part of the maquiladoras project in 2001, a seminar was held for 80 union leaders from unions operating in the electronics industry, which is a significant employer within the EPZs. Researchers located in 12 different EPZs, where 90% of the electronics industry in Mexico is located, reported to the seminar. Participants exchanged their experiences of organising and collective bargaining in the industry.

### *CIS and Baltic countries*

In an attempt to inculcate union values into post-communist Belarus a seminar was held for young metalworkers. It aimed to educate these workers about the role and operation of independent unions. These workers were chosen from enterprises where “yellow” unions, independent of the government, are operating.

In the Baltic States a joint seminar on Organising the Unorganised was held in 2001 for union leaders from Latvia, Lithuania and Estonia, where union density runs at between 13-30%.

Also in the Baltic States the IMF funded training for organisers. However, in a sign of the development of the unions involved, each of the unions used their own trainers. The then-trained organisers were

then able to recruit and organise members in 8 non-union enterprises, with local unions now being established.

In 2002 the IMF took part, along with the ICFTU, AFL-CIO and ICEM, in a fact-finding mission to some former Soviet nations in Central Asia - Kazakhstan, Kyrgyzstan, Uzbekistan. There is one union in Kyrgyzstan currently applying for IMF affiliation, but otherwise unionism in these countries is in its infancy.

### *South Asia*

In conjunction with two affiliates, SMEFI and INMF-Mine, since 2000 the IMF has operated a project to organise the metal industry in five states of India - Andhra Pradesh, Uttar Pradesh, Rajasthan and Maharashtra. Research institutes were commissioned to identify enterprises, the extent of industry, operating unions, product markets, etc. Teams made up of 10 organisers per state, for four of the states, were trained and began recruiting, with over one hundred organising meetings held. The results have been impressive: the establishment of several new unions, which have been incorporated into the project partners SMEFI and INMF-Mines, and an increase of membership by 9,000 (end of 2002). The project continues.

In Bangladesh, Sri Lanka and Nepal seminars on Organising the Unorganised were held in 2001 for union leaders.

### *Participation of Women*

In 2001 a skills course was held for female members of IMF-affiliates in India, being a follow-up of 3 similar courses in 2000, with the participants in the 2001 course being chosen from the 2000 courses. A main focus was training trainers, with the specific goal that the participants would be training female members of their own unions.

The Latin America and Caribbean region in 2002 established a regional working party on equal opportunities, international standards and organising women. Its aim is to promote the inclusion of equal rights clauses in collective agreements, encourage the election of women as officials and to develop strategies for recruiting women as members.

The Latin America and Caribbean region also held a regional seminar on unionisation of women workers in the Electrical and Electronics industry. Approximately 25 women from the industry attended. The world growth and development of the industry was examined, as were

the barriers faced by women in the workforce and in joining unions, and strategies for involving women in all levels of the union movement.

A seminar in Zimbabwe in 2002 was held for 40 female union officials. The aims were for participants to develop the skills and confidence to take on senior roles in their unions, as well as to discuss gender structures for their unions.

In South Africa a seminar was held in 2002 for 40 female union officials from four countries in the region. The seminar focused on the impact of globalisation on female workers.

In contrast, a seminar in Mexico in 2001 was designed for educating the male leaders of unions about issues affecting women, participation rates, equal pay, etc.

In 2003, the IMF together with the SPMI (Indonesia) initiated a programme to study the needs of women workers in the union. This programme is funded by SIF and Svenska Metall of Sweden. It consists of five workshops in different regions of Indonesia to analyse the needs of women workers. It is expected that around 125 women unionists will attend these workshops. It will culminate in a national meeting with senior leaders of SPMI and selected women activists to determine the needs and future roles in the union for female unionists.

### **3.3 A SOCIAL DIMENSION TO ECONOMIC GLOBALISATION**

#### **Equal Rights**

The position of Director of Equal Rights was filled in 2001 after having been vacant for some time. The filling of the position provided the impetus to refocus IMF activities in promoting the participation of women in unions.

The IMF has long carried out activities to promote women's participation in unions. These have tended to focus on skills training for female members or leadership courses for officials. During the period of this Report there has been a shift in emphasis. As can be seen from the previous section, training for women still figures highly in IMF activities. But this is now being supplemented by a focus on creating structures within the IMF to guarantee and promote the participation of women.

Put at its most simplest, IMF affiliates cannot expect to recruit and organise female members if the unions themselves are not representative. And 'representative' means not only that they represent women's industrial interests but also that women can and are represented in all levels of their union.

During the period of this Report there have been some improvements. The number of women attending the annual IMF Summer School in Geneva has increased:

- 4 of 22 participants in 2001 (23%)
- 8 of 21 in 2002 (38%)
- 10 of 21 in 2003 (47%).

In Latin America, women's participation in sub-regional meetings increased dramatically from an average of 11% female participants in 2002 to an average of 40% in 2003 (see *Regional meetings*, below).

### *Research*

A review in 2001 of the participation of women in IMF structures found there has never been a woman on the IMF Executive; women made up about 10% of the delegates at the 2001 Congress, which was the same for the 1997 Congress; women's participation at sub-regional meetings averaged 10%, with many meetings including one woman or no women at all; and other IMF meetings (mainly sectoral) averaged 3% women's participation.

Looking at other IMF structures, the highest female membership rate within IMF sectors is in Electrical and Electronics. Yet with 50-60% of total members being women, only 5-6% of participants were women at IMF meetings in this sector. Participation by women in other sectoral meetings is negligible, except for the Non-Manual Workers department with high participation rates.

During 2002 the IMF conducted a survey of affiliates about the proportionate representation of women at all levels of the union as compared with the membership and employment levels. With 75 unions responding, it was revealed that unions in Western and Central-Eastern European and in North America all have good membership density. However, whereas the European affiliates have women well represented as senior officials the North Americans do not. But where women are being elected to the executive committees of their unions it is not as President or General Secretary. In Asia women are not represented, either as union members or in leadership positions.

### *Structural changes*

In 2002 a women's advisory meeting was held in Geneva. The participants were all women familiar with the IMF and influential within their own unions. The meeting provided advice to the Executive on changes needed to increase women's representation in IMF structures. These recommendations, which the Executive later accepted in full, were:

- Reinstatement of the IMF Women's Committee, to meet in conjunction with meetings of the Executive
- Formation of women's committees at the (sub-) regional level
- A Women's Conference, to be held in conjunction with the IMF Congress
- A goal of 20% representation of women for the Central Committee and the Congress
- An additional 6 positions to be created on the Executive and to be reserved for women.

### *Regional meetings*

In accordance with the Executive's decisions, women's meetings have so far been held prior to sub-regional meetings in Southern Africa, South East Asia and Pacific, the CIS and Baltic States. In East Asia affiliates were requested to send women delegates, but no separate pre-meeting of women participants was held. The agenda for the sub-regional meeting contained affiliate reports on women's activities, as it did at the Central Europe meeting and at the Latin American Regional Conference. While the pre-meeting strategy has been successful in increasing the number of female participants this has clearly been the result of the additional funding provided.

### *Union Women Webpage*

A new section of the IMF website, *Union Women*, has been created with the aim of providing a forum in which unions can exchange their experiences of initiatives taken for the benefit of women workers. The usefulness of the *Union Women* webpage relies on affiliates providing the IMF with information about their activities for women.

## **Trade to benefit the world's people**

Together with other global unions, the IMF has been very vocal about the harmful effects of deregulated trade on sustainable development and workers' livelihoods and has unflaggingly called for a reform of the WTO. However the central union demand for inclusion of core labour standards in trade agreements, which has been reiterated at numerous regional and world level meetings, has not made progress. Indeed, it is hard to get something of substance accomplished because many member governments categorically continue to oppose bringing the issue into the WTO.

The trend towards the regionalization of world economy continues to be a point of focus of IMF activities, both at global level and in the regions. The IMF Working Group on the FTAA, which was set up to formulate a trade union policy and demands on regional integration, met in 2001 and 2002 in Brazil. The Group has been instrumental in raising awareness among affiliates and disseminating information about an integration project that put corporate interests over development needs. Indeed, the FTAA that is now being negotiated by all the governments in the Americas (except Cuba) and scheduled for completion in 2005 is part of a larger agenda of deregulation, all-out privatization, destruction of collective bargaining and dismantling of social safety net.

During these meetings, the Group analyzed in depth the potential impact of the proposed FTAA on the metal industry. It also discussed various forms of action and mobilization to seek to ensure that workers' interests are reflected in any future agreement and that the benefits of trade are shared equitably. Trade must be subject to social and environmental norms, including internationally recognized human and workers' rights.

As an outcome of this work, the IMF published a report in English and Spanish "Metalworkers and the Free Trade Area of the Americas". This report aims at raising the visibility of trade issues among the IMF membership and help engage those who, so far, have not been involved in the FTAA debate. It should also contribute generate political pressure on governments to defeat a project that only reflects the interests of multinational capital and investors.

## **International financial institutions**

The IMF was among the delegation of trade union leaders who met representatives of the World Bank and the International Monetary Fund in October 2002. This was the second high-level meeting between global unions and international financial institutions (IFIs),

the first one was held in 2000. The discussions focused on several issues, in particular the World Bank's engagement with trade unions, pension reform, core labour standards, privatization and restructuring, the Bank's poverty reduction strategy and debt restructuring mechanism.

Whilst little progress has been made at the high level, the discussions showed that there was hardly any on the ground. The more open attitude towards core labour standards (CLS) occasionally expressed by the Bank in publications or press statements has not translated into loan conditions. If conditionality and procurement contracts are left out, one can ask what the Bank's commitment to promote CLS means in practice.

IFI's policies were also the target of harsh critics during the IMF mission in Argentina in April 2002. Not only the trade unions but also representatives of small and medium-sized enterprises underlined the responsibility of the International Monetary Fund in the crisis. Argentina is the perfect example of a country where the Fund dictated the rules, insisted on drastic austerity measures and finally brought the country to the brink of collapse. As the IMF General Secretary stressed in his letter to the Managing Director of the Fund after this mission, Argentina has done what the IMF required it to do. It opened up its financial markets, liberalized trade, privatized key national enterprises and services, and cut back on public spending. These policies not only failed but have led to social and economic disintegration.

## **Health and Safety**

For many IMF affiliates, stress has become a major health and safety issue across all occupations and sizes of companies, in the public and private sectors. Findings from national and international research are significant and show that work-related stress can no longer be ignored or merely be tackled with remedial treatment.

As a follow-up to the seminar on "stress and burnout" held in April 2001 in Sweden, the IMF decided to launch a project on stress prevention in cooperation with four European affiliated unions and the University of Nijmegen (Netherlands). Indeed, for many IMF affiliates, stress has become a major health and safety issue across all occupations and sizes of companies, in the public and private sectors.

This project, which is being carried out in conjunction with the IMF Non-Manual Workers Committee, will analyse and evaluate various intervention projects in enterprises where the four affiliates have a

presence, and to present the outcomes and the lessons of this study in the form of a report. The aim is that this report will assist unions in constructively addressing stress and related issues.

With the assistance of the Finnish Metalworkers' Union the IMF is training trainers for AFW in Russian in the delivery of OH&S training. This project has been successful, with 60% of those trained now delivering OH&S courses for their local unions.



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