

**IMF World Steel Conference
April 10-12, 2000
Washington, United States**

The Washington Declaration

We, one hundred and fifty-five delegates, representing IMF-affiliated trade unions from thirty-seven countries, responsible for the production of more than 66% of total world steel production, meeting in Washington on the 10 to 12 April 2000, welcome the improved economic climate and the opportunities this provides for constructive debate concerning the future prospects of the steel industry.

Having focused our discussions on a wide range of issues including: steel trade, globalisation and the increasing concentration of ownership, restructuring, working conditions, working time, health and safety, issues including the dangers arising from exposure to radio-active contaminated steel scrap, the wider environmental aspects, repercussions of technological change on employment and working methods, and the future prospects for those working in the steel industry, in both developing and industrialised countries alike, we underline the importance of increased trade union cooperation and coordination at the international level, which is a central feature of the IMF's Action Programme.

World Trade

The financial and economic crises which arose in Asia in the summer of 1997, and spread to Russia and Brazil during 1998 and 1999, was a direct result of the lack of regulation in the world's financial markets, and had a severe impact on the world economy and in particular on the steel industry, with prices falling to historically low levels. This resulted in many companies being forced to reduce production, leading in turn to lay-offs and temporary closures in some countries. In the absence of an effective regulatory body, we witnessed an escalation of anti-dumping actions as many steel companies sought to protect their domestic markets from the rapid influx of very low priced steel, further aggravating an already difficult situation.

While recognising the importance of the World Trade Organisation, we seek to improve its effectiveness and equity, by proposing some radical and far-reaching reforms.

There is an urgent need for trade union rights and environmental issues to be fully incorporated into the rules and regulations governing the activities of the WTO.

These must include the right of workers to:

- Freedom of Association;
- Collective Bargaining; and the:
- Prohibition of the use of forced, compulsory and child labour; along with:
- Minimum acceptable standards concerning wages, hours of work, and occupational health and safety; and
- The requirement for all nations to ratify, implement and enforce the ILO Conventions enshrined in the Declaration of Principles on Trade Union and Workers' Rights must be a pre-condition for WTO membership.

Furthermore, trade agreements must contain provisions for the upward harmonisation of living and working standards, and all existing WTO rules that undermine legitimate national regulations concerning public health, the environment and/or social programmes must be rescinded.

Finally, all WTO proceedings must be transparent and accountable, as well as providing access to the WTO's dispute settlement process for trade unions, environmentalist and other relevant organisations.

We endorse all actions that facilitate the expansion of world trade, providing it is transparent, fair, and free from all restrictive and unfair practices. All forms of social dumping; or the restriction of fundamental human and trade union rights that rely on the availability of low labour costs in order to attract foreign investment; must be considered to constitute an unfair trade advantage.

State aid should only be available as part of temporary crisis measures, in order to deal with the social consequences of restructuring and unavoidable plant closures and large-scale redundancies, in a humane and socially acceptable manner. However, there can be no exception to the right to trade union membership.

We reiterate our call upon all national and supra-national bodies to accept as an urgent priority, the establishment of a framework of multilateral steel agreements, in order to avoid reliance on unfair and trade-distorting practices and actively encourage the elimination of import duties and the liberalisation of the world steel market. Such a framework must include a mechanism for the resolution of disputes, and any country or company, or even international metal trader, that fails to comply with its provisions, should be subject to the most stringent sanctions.

Furthermore, in order to avoid trade unions having to resort to unilateral actions in order to protect the jobs and welfare of their members from unfair competition, it is proposed that the International Metalworkers' Federation should establish a steering group that will be charged with the responsibility of bringing together

representatives of steel industry unions, to propose commonly agreed collective actions, in the event of any future crisis.

It is clear that the remedies provided by the World Bank and International Monetary Fund, to assist the countries concerned resolve their problems, did not address the inherent instability in international financial markets which was the underlying cause of the crises. Consequently, we call for the introduction of the necessary regulatory mechanisms, including the adoption of a "Tobin Tax", on all speculative financial transactions. Furthermore, we reiterate our demand for the immediate and substantial reduction of developing countries indebtedness, which constitutes a severe impediment to their economic and social development.

Conference recognises the increasingly important and destructive role of institutional investors who seek to set specific, and in the case of the steel industry, totally unrealistic demands, in terms of the return they expect on investments. Reflecting the potential power available through the multimillion dollar pension and superannuation funds that belong to the workers, we pledge ourselves to play a far more active role and, if necessary, introduce the necessary changes in the rules which govern them, to facilitate the more social responsible management of these funds.

Implementation of New Technologies

Conference demands that the opportunities provided by new technologies should be used to improve working conditions and job security, with particular emphasis on the elimination of the most dangerous and difficult operations, and a reduction of working time in all of its forms.

Training and retraining must be given the necessary priority, particularly for those who may be displaced as a result of technological developments. Such training programmes should be administered by tripartite bodies, with trade unions, employers and government representatives equally represented.

Upward Harmonisation of Health and Safety Provisions

While differences in wage levels, working hours and employment practices reflect a wide range of economic and cultural aspects, there can be no justification for any difference in health and safety provisions in the steel industry, irrespective of the region or country in which it is situated. This aspect is of particular importance for those employed by multi-national companies.

The IMF and its affiliated federations will actively pursue upward harmonisation in respect to health and safety legislation in the steel industry, stressing the specific importance of accident prevention, and the establishment of properly constituted Health and Safety Committees, in all steel plants/companies.

Employers must not be allowed to disregard the welfare of their employees in order to increase profits, forcing workers to pay for their employers' neglect in terms of ill health, premature retirement or even death.

Governments must accept the responsibility for guaranteeing the health of their citizens are adequately protected by passing the necessary legislation, which must include provisions for worker/trade union participation, in order to ensure the legislation is effectively monitored and properly enforced.

Companies must not be allowed to evade their responsibility for compliance with health and safety provisions by transferring their operations to countries with less stringent regulations. Through the medium of IMF World Company Councils we will seek to bring pressure to bear on all multinational steel companies to adopt appropriate Codes of Conduct, through which they will be required to enforce the same health and safety regulations and controls, with the same rights attributed to their employees, providing the necessary education and training facilities, as well as the right to refuse to continue dangerous or life-threatening operations, as those which exist in the parent company.

In addition to the already known and recurrent risks related to the introduction of new technologies, one area of particular and growing concern is the danger arising from the inadvertent reprocessing of radioactive contaminated steel scrap. With many of the earliest nuclear power stations reaching the end of their intended lifespan, there will be considerable tonnages of contaminated steel to be disposed of in the coming years. This poses a risk not only to the workers in the steel industry but to all who live near steel plants, as well as those who may work or otherwise come into contact with contaminated steel products, in the event that it is dispatched from the steel plant without being detected.

Conference supports a policy of zero tolerance to radioactive contamination and rejects any attempt to introduce so-called 'safe' levels or limits, irrespective of how low these may be.

Privatisation

The process of privatisation of the steel industry is now almost complete in most countries, with the governments of almost all of the former Comecon and developing nations fully committed to transferring the responsibility for the steel industry to the private sector. However, there are still some developing countries, such as India for example, where public or State ownership continues to play a significant role.

Conference stresses the fact that it is not the issue of ownership that is the crucial factor in determining whether or not a steel company is operated efficiently, but rather the quality of management, and their ability to find an equitable balance between all the stake-holders concerned, reflecting the value of each group's contribution to the success of the enterprise. We also wish to highlight the fact that management has a responsibility to look after the interests of all their assets, and this includes their human resources.

Social Provisions for Restructuring

Conference accepts that structural readjustment is a permanent characteristic of economic and social progress, but we insist that such change should be managed in a judicious manner. Consequently, we call for the accumulated knowledge and expertise that has been gained in the last 4 or 5 decades to be put to good use. One of these experiences is that provided by the European Coal and Steel Community. Therefore the most important beneficial aspects of the ECSC Treaty must be maintained, and their application to other countries and industries should be studied.

Environmental Responsibility

Companies must not be allowed to derive any benefit by neglecting their wider responsibility to society. Reflecting our commitment to fulfilling the targets for the reduction of environmental emissions contained in the Kyoto Accord, and thereby mitigate the consequences of global warming, conference calls upon all governments and supra-national bodies to adopt the highest standards of environmental protection.

We also reaffirm our belief in the key principle governing pollution control - that is, "the polluter must pay".

It is not enough to criticise companies who seek to gain a financial advantage over their competitors by exposing their employees and those who live in close proximity to these plants, to unnecessary risks. Stringent financial penalties must be applied in order to dissuade companies from seeking to avoid or evade their legal and moral obligations.

International Solidarity

The concentration of ownership resulting from the development of multinational companies which fuel the process of economic globalisation, poses additional problems for trade unions to deal with. Consequently it is becoming increasingly important for trade unions in the steel industry to develop a corresponding global network, in order to ensure the cooperation and coordination necessary to prevent employers playing off one group of workers against another.

The IMF will continue to assist, with the support and cooperation of its affiliates, in developing closer and more effective links between trade unions.

Furthermore, the IMF should, as a matter of urgency, seek to establish World Company Councils for all of the major multinational steel companies, in order to ensure that the workers involved in such cross-border mergers are able to establish the close links necessary to allow them to find common solutions to their problems, and provide effective representation at the global level.

Trade Union Rights

A socially just and equitable world economy can only be established and maintained if the benefits of economic growth are distributed fairly, and trade unions, as the legitimate representatives of working people, must be fully involved in all aspects which determine their economic and social well-being.

The right of workers to form and/or join trade unions is a fundamental element of democratic society, and there can be no justification for denying workers their inalienable rights to freedom of association and collective bargaining, without any interference from employers or governments.

Any government which denies its citizens the right of trade union membership, or encourages or provides employers with the opportunity to do so, is unworthy of a place in the international community, and we commit ourselves to campaign for the widespread adoption of ILO Core Labour Standards by targeting those countries which have failed to honour the commitments they gave when they approved the ILO Declaration on Fundamental Principles of Trade Union and Workers' Rights.

Conference condemns those who would deny workers the benefits trade union membership bestows, such as the attempt by BHP to replace collective agreements with individual contracts; the refusal by the Korean company Posco to recognise the right of its employees to form free democratic and independent unions; or the blatant interference by the Venezuelan Government in denying its citizens the right of trade union membership and to be able to bargain collectively; and we will use all of our endeavours to ensure this fundamental right for all working people in the steel industry.

The IMF will continue to play a full and active role in the activities of the OECD, UN, ILO and any other international bodies. However, the level of trade union participation and their right to a full and active participation in these bodies must be considerably improved and expanded

Conference underlines the central and irreplaceable role of the ILO in order to consolidate and expand the social rights and working conditions of all metalworkers in the world.

We have a joint responsibility to help those steelworkers who have the poorest pay and working conditions to obtain a fair return for their labour and the benefits that can be derived from the introduction of internationally recognised labour standards.

This Conference provides a concrete example of international trade union cooperation and solidarity that will become increasingly important as the steel industry, through take-overs and mergers, develops an even more global dimension in the future.

The steel industry is, and will continue to remain, of immense strategic importance, not only for the newly developing countries, but for the continuing advancement of all nations.

Steel is a high-tech material, which is constantly being improved in order to satisfy market needs. Steel offers the additional advantage of being infinitely recyclable, making it very much a material for the future.

Demand for steel is particularly sensitive to fluctuations in the economic cycle, reflecting in part the significant role played by steel stockholders and international metal traders, which further underlines the need for orderly marketing arrangements.

During the last 30 years, we have witnessed massive reductions in employment levels in the developed countries, while many newly industrialised countries continue to increase steel-making capacity. We reaffirm our belief that the development of domestic steel-making capacity in the developing countries does not threaten employment prospects in the older industrialised countries but will complement it, providing their prime goal is to satisfy domestic demand, and these countries are not denied the possibility of achieving stable rates of economic and social growth.

The steel industry has a proud tradition of having the highest levels of unionisation, and we will redouble our efforts to improve upon the already high levels of trade union membership, with the aim of mobilising our full trade union strength in pursuit of our goals.