



Union Aid Abroad

APHEDA

31 January, 2011

Independent Review of Aid Effectiveness Secretariat
GPO Box 887
CANBERRA ACT 2601

Dear Sir / Madam,

Please find attached a submission by APHEDA Inc. (Union Aid Abroad – APHEDA) to the Independent Review of Aid Effectiveness.

Also attached is a letter of support from the President of the ACTU. Union Aid Abroad – APHEDA is the overseas humanitarian aid agency of the ACTU.

We would be happy to meet with the Committee reviewing the submissions, and speak to the submission if required.

Yours sincerely,

Peter Jennings
Executive Officer



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Independent Review of Aid Effectiveness

Submission by Union Aid Abroad – APHEDA

“Aid is only one part of the development picture. Democracy, economic growth, social progress and care for the environment are the prime engines of development in all countries.” (UN High Level Forum on Aid Effectiveness – Accra, September 2008). Effective aid is important because it facilitates these other “engines of growth” such as democracy and social progress to come about.

In this submission to the Independent Review of Aid Effectiveness, Union Aid Abroad – APHEDA would like to focus on three major points:-

- The key role that Decent Work plays in development and realising the Millennium Development Goals
- The leadership role that Civil Society plays in driving both democracy and development
- The changing geographic and sectoral face of Australian aid in the next decade

1. Decent Work and Aid Effectiveness

As we are aware, there are 8 Millennium Development Goals and 20 targets or benchmarks to assist in measuring the progress of the MDGs. The first Millennium Development Goal is *To eradicate extreme hunger and poverty*, and the (revised) second target or benchmark associated with this Goal is *To achieve full and productive employment and decent work for all, including women and young people*.

1.1 What is Decent Work

The Decent Work agenda of the international trade union movement, the ILO and UNDP includes ensuring a healthy, skilled and educated labour force, (eg through vocational and technical training, and occupational health and HIV programs), ensuring workers’ rights, particularly the right to organise and bargain collectively, the creation of permanent, well-paid and environmentally sustainable jobs, social protection systems for those out of work, ending gender and other inequalities in work, eliminating child labour and forced labour, and promoting trade unions as one of the leading forces in democratisation and in civil society. The Decent Work agenda also applies to agricultural labour, to labour migration issues, to organising and training workers in the informal sectors, and to small business development, including micro-credit and cooperative development.

ILO: Promoting Decent work for all

Work is central to people's well-being. In addition to providing income, work can pave the way for broader social and economic advancement, strengthening individuals, their families and communities. Such progress, however, hinges on work that is decent. Decent work sums up the aspirations of people in their working lives.

The Decent Work concept was formulated by the ILO's constituents – governments and employers and workers – as a means to identify the Organization's major priorities. It is based on the understanding that work is a source of personal dignity, family stability, peace in the community, democracies that deliver for people, and economic growth that expands opportunities for productive jobs and enterprise development.

Decent Work reflects priorities on the social, economic and political agenda of countries and the international system. In a relatively short time this concept has forged an international consensus among governments, employers, workers and civil society that productive employment and Decent Work are key elements to achieving a fair globalization, reducing poverty and achieving equitable, inclusive, and sustainable development.

The ILO has developed an agenda for the community of work. It provides support through integrated Decent Work Country Programmes developed in coordination with its constituents. Putting the Decent Work Agenda into practice is achieved through the implementation of the ILO's four strategic objectives, with gender equality as a crosscutting objective:

- **Creating Jobs** – an economy that generates opportunities for investment, entrepreneurship, skills development, job creation and sustainable livelihoods.
- Guaranteeing **rights at work** – to obtain recognition and respect for the rights of workers. All workers, and in particular disadvantaged or poor workers, need representation, participation, and laws that work for their interests.
- Extending **social protection** – to promote both inclusion and productivity by ensuring that women and men enjoy working conditions that are safe, allow adequate free time and rest, take into account family and social values, provide for adequate compensation in case of lost or reduced income and permit access to adequate healthcare.
- Promoting **social dialogue** – Involving strong and independent workers' and employers' organizations is central to increasing productivity, avoiding disputes at work, and building cohesive societies.

1.2 Why is Decent Work important for development

The ILO estimates that globally, 3.1 billion men and women work in paid employment in order to live. This is 45% of the world's population of 6.8 billion. Just under 1 billion working men and women earn less than USD \$1.20 per day, and just over 1 billion earn between \$1.20 and \$2.50 a day. Therefore 2/3 of the world's working people earn less than \$2.50 a day, while an estimated 12.3 million women and men work in debt slavery and 200 million children under the age of 15 work instead of going to school. 2.2 million people die due to work-related accidents and diseases every year – more than double the number killed by wars. According to the ILO 6,300 people die each day from work-related issues, and there are 337 million industrial accidents a year, while 2 million live with occupational diseases. Add to this the massive global unemployment and the lack of social protection for the majority of workers employed in the “informal economy”, and the links between the violation of labour rights leading to poor working standards, and subsequent poverty, are obvious.

1.3 Decent Work and development

Central to overcoming global poverty through Decent Work is the necessity for a living wage. By ensuring that working men and women are paid fair wages, working families and communities can rise out of poverty, and domestic markets are expanded, increasing economic growth.

Union Aid Abroad – APHEDA believes it is far superior to ensure parents are paid a just, living wage and so can provide for their children's most basic needs of food, education and shelter themselves, rather than the humiliation of relying on sponsorship of their children from donors abroad to provide these needs for their families.

Importantly, Decent Work does not automatically occur as a result of economic growth. Economic growth that results in sweatshops, environmental destruction, deepening inequalities, and loss of community resources will not equal human development. In these situations workers and the poor go backwards while economic growth is captured by wealthy elites and the middle classes with little or no 'trickle down'. The race to the bottom for wages, for instance, may attract foreign investment and increase 'economic growth' but it will not mean poverty reduction. Bangladesh for instance, has long had

one of the lowest wages for garment workers in the world (recently raised to 3000 taka or approximately AUD \$43 per month) and exported \$3.41 billion worth of garments in 2009. But more than 40% of the population still live on less than USD \$1.25 a day.

Decent work is needed to lift many families in developing countries out of poverty. Without Decent Work which provides a living wage, permanency of employment and respect and dignity especially for women workers, few of the Millennium Development Goals will be met.

1.4 Decent Work and climate change

The Green Jobs concept has been developed, not only for the transition of advanced economies such as Australia, but also for low and middle income economies. As well as jobs in mitigating and adapting to climate change, it involves all environmentally restorative work, and extensive creation of new jobs in de-carbonising the transport, energy, manufacturing and agricultural economies.

Linked to the Green Jobs concept is the paradigm shift from food security, met by international market mechanisms or by food aid, towards food sovereignty, ensuring communities have control over the parameters of food production or trade, localising organic food production and trade, and ensuring sustainable harvesting of natural resources.

To embed the linked concepts of Decent Work, Green Jobs and Food Sovereignty into the heart of the Australian aid program, will entail a thorough re-thinking engaging many sectors of civil society here and abroad.

1.5 Australian Aid program and Decent Work

The Australian aid program can play a key role in assisting the development of Decent Work in our region.

In a country such as Vietnam, which has undergone a rapid shift in the past two decades from a rural based, peasant society to an industrialized, export oriented economy experiencing rapid growth, the Decent Work agenda is one key to ensure that the opportunities that economic growth provide are being shared by all, including the poorer sectors of society. Support to trade unions can allow workers to negotiate enterprise agreements that lift the living standards of workers, increase factory productivity and pre-empt 'wildcat' strikes. As Vietnam and other South East Asian countries are increasingly bringing immediate public health issues, such as maternal mortality and malnutrition under control they will have to face industrial health as an issue. Workplace mortality and morbidity disproportionately affect the poorest - for example Vietnam records a fatal occupational injury rate of 27.0 per 100,000 workers, almost 8.5 times the rate in Australia. Additionally, asbestos disease, silicosis and occupational cancers will increasingly become public health epidemics in their own right.

Another issue related to decent work and development is the question of migrant labour. With limited work opportunities in their own communities, there are an increasing number of workers, especially in South and South East Asia, who are crossing national boundaries in order to seek work, either legally or illegally. Perhaps this is most evident in the Philippines, where an estimated 8 million workers are working abroad at any one time, and the wages they send back home is the largest single export earner for the Philippines. Malaysia is also a recipient of much migrant labour from Vietnam, Cambodia and Indonesia, while many people from Pakistan, India and Sri Lanka work as contract labourers in the Middle East.

In many instances, migrant workers, especially those without papers, work in the lowest paid, most menial, unprotected and exploitative jobs; the work is poorly regulated and as a result it is difficult for them to either complain or organize for better wages and conditions. Refugees from Burma living and working in Thailand are greatly exploited, as are domestic workers in many countries. Civil society in both the sending and receiving countries can play a role in supporting migrant workers.

1.6 Aid, Trade and Decent Work

Trade is an important component of efforts to improve living standards. However, trade must be fair. Fair trade is trade which is carried out in a manner which delivers progress for all countries in terms of

employment growth, improved social protections, implementation of core labour standards, sustainable environmental standards and adherence to human rights conventions and democratic values.

The Aid for Trade agenda was developed to support developing countries build their capacity to benefit from greater access to international markets. The Australian aid program provides development assistance focused on improving market access and building competitive economies. It is essential that the assistance provided is driven by the needs of partner countries and supports not only trade capacity building but the broader development goal of poverty eradication.

It is also important that development strategies promoted by the aid program are integrated with government trade policy. When negotiating closer trade relationships, particularly with developing countries, Australia must not only be concerned with increased trade flows but also with achieving development goals. Increased economic integration must focus on employment and income generation that promotes and respects labour standards and that support the Decent Work agenda for all. If trade, aid and development policies are to be integrated and are to achieve sustainable development outcomes, there needs to be a commitment to delivering more than standard trade facilitation programs. Developing countries also need to be given adequate time and resources to prepare for trade discussions.

Examples of development projects supporting Decent Work & Green Jobs:

- Job skills: vocational, technical & environmental education
- Promotion of ILO Core Labour Standards
- Organic food production; urban and peri-urban community food gardens
- Job creation in reforestation and coastal resources restoration
- Job creation in climate change adaptation in housing, agriculture, etc
- Job creation in alternative fuels and appropriate energy technologies
- Job creation in environmentally friendly transport
- Workplace programs on women's equality and gender violence
- Democratic and community media to educate working people and informal sector workers on environment, health, women's rights and workers' rights
- Occupational health & safety
- Anti-trafficking programs
- Building the capacity of unions to negotiate as social partners
- Pre-departure training for migrant workers
- Community media for migrant workers
- Programs against child labour
- Building capacity of local organisations to support migrant workers' rights
- HIV & the workplace education & support
- Asbestos eradication
- Alcohol and other drugs education and support programs in workplaces
- Cooperatives development
- Corporate social responsibility programs that involve unions
- Organising informal sector workers: sex workers, drivers, domestic workers, small traders
- Training to integrate people with disabilities into the workforce

2. Civil Society, Democracy and Development

Too often we have allowed our understanding of governance to be reduced and narrowed, too often have we equated "civil society" with the international development NGOs. Historically gains in democracy, development, environment, health and equality, have been won by the mass action of people, through organisations of women, students, workers, youth, peasants, fisherfolk, and so on. An effective Australian aid program is one that is grounded in representative organisations of Australian civil

society working in partnership with a broad range of civil society organisations in recipient countries, including sporting, youth, gender, faith, recreation, service, business, cooperative, professional, trade union, media, education, environment, health & disability, sexuality, ethnic, and other organizations.

Aid through non-profit civil society organisations, accountable to constituencies in both Australia and recipient countries, is cost effective in comparison to the commercially tendered bilateral or multilateral programs, and should represent a greater percentage of the aid budget than the 5-8% it has in recent years.

Programs whose objectives include the increased capacities of leading civil society organizations to pursue democratic and developmental agendas should be prioritized. In particular, we are conscious that trade unions have historically not only won battles against inequality and poverty, but for democracy (Poland, South Africa, Zimbabwe, South Korea and Australia). In the Australian aid program, unlike the official aid programs of almost all OECD donor countries, there is no guaranteed allocation of aid via trade unions for trade union development. Indeed, capacity building of trade unions, unlike business or professional bodies, is excluded, other than around associated issues, such as gender violence or occupational health.

Notwithstanding our commitment to the capacity building and leadership roles of civil society structures in democracy and development, along with the international trade union movement we believe that public expenditure on infrastructures in transport, health, education, energy, water, sanitation, social security and communications needs to be reinforced for equitable national development. This public expenditure requires a taxation system that is adequate, transparent, equitable and not open to corruption.

3. Changing geographic focus of Australian aid

Union Aid Abroad – APHEDA firmly believes that the aid program should remain geographically focused on the three regions in which Australia is located:

1. the Pacific
2. South East Asia
3. the Indian Ocean region, including south Asia, southern & eastern Africa, and the low income populations of the Middle East.

As evidenced in many countries in South East Asia, such as the Phillipines, Cambodia and Indonesia, rapid economic growth and national level poverty statistics create the impression of growing middle income status, but hide the deepening inequality and poverty that many rural, indigenous, ethnic minority and other marginalised groups face. We believe the aid program should continue to support those deeply disadvantaged by economic growth even in so called middle income countries.

Union Aid Abroad – APHEDA therefore does not support the current expansion of the development assistance program to western, central and northern Africa or Latin America. Whilst there certainly is an issue of aid saturation in many countries where the aid program operates, we believe these problems can be overcome and managed with better targeting and use of local expertise, including local civil society.

In the specific instance of Burma, we believe that tight conditionalities should remain on humanitarian aid via Rangoon/Naypyidaw, but we support Australia providing aid to those IDPs and those in great need in conflict zones via cross-border activities run by democratic movement organisations from Burma.

APPENDICES:

1. Resolution on Sustainable Development Cooperation of ITUC, June 2010:
<http://www.ituc-csi.org/IMG/pdf/2CO_04_A_development_platform_for_the_21st_century_03-10-d.pdf
2. Policy paper of ITUC on development effectiveness:
http://www.ituc-csi.org/IMG/pdf/ITUC_Statement_on_Accra_High_Level_meeting_on_Aid_Effectiveness.pdf

RESOLUTION ON

A SUSTAINABLE AND JUST DEVELOPMENT MODEL FOR THE 21ST CENTURY

1. Congress affirms that the global crisis constitutes the definitive failure of the unjust neo-liberal orthodoxies which have guided development policies in recent decades.
2. Congress notes that the current model of development based on market fundamentalism with its emphasis on export-led growth has failed to deliver sustainable growth and social progress in either the developing world, emerging countries or the industrialised world. Modest gains in poverty reduction - where they have occurred - cannot be accepted as a serious international response to the shared challenge of, and responsibility for, world development. Nor do they weigh heavily against the growth of inequality, the acceleration of environmental degradation or the brutal impact of the crisis on the lives of millions of working families. Congress affirms that unregulated capitalism is ecologically destructive and unsustainable, and calls for a fundamental alternative system of global production that is humane and socially responsible. It calls on affiliates to fight against growing inequalities, underdevelopment and economic injustice in the global system.
3. Congress deplores the fact that the current development paradigm has caused inequalities and poverty and contributed to an erosion of workers' rights and a weakening of workers' organisations in many developing countries through its advocacy of labour market flexibility, privatisation, deregulation and market liberalisation. This has created a downward trend in wages through increased competition between developing countries, increased informalisation or casualisation of work, and fiscal austerity and negative corporate tax competition between states with damaging consequences for access to, and the quality of, social protection.
4. Congress condemns the global trend toward the privatisation of public services due to which millions of people have been deprived of their fundamental human rights. It reaffirms that the provision of universally accessible quality public services contributes to the reduction of poverty and inequality and the expansion of decent work and enhances social integration and cohesion. Congress further reaffirms that free, universal and public education provides opportunities for all and is a crucial underpinning for democratic societies. It is a key factor enabling individuals and communities to break out of cycles of poverty and providing them with equal opportunities.
5. Congress reiterates that trade unions play a key role in the development process. Their democratic representation confers unique legitimacy to interact with governments and employers' organisations and to hold them accountable. By their involvement in social dialogue, trade unions can change unfair government policies and contribute to social progress. By promoting and undertaking collective bargaining they ensure that wealth is more fairly distributed within society, hence contributing to the reduction of poverty and inequalities. By organising workers, including the poorest and the most vulnerable such as those working in informal employment relationships, trade unions can play a critical role in changing the dominant structures of power. The organisation of self-employed workers into union-linked cooperatives can be one way to change power relationships and formalise work. Through their struggle for social justice, trade unions are and must be recognised as full partners in the development process. Congress calls for investment in the strengthening of free trade unions and free collective bargaining in developing countries, as these are two essential pillars for fair and sustainable development.
6. Congress calls for a new development model that is rooted in domestic market growth and focussed on decent work and income distribution and investment in people through education and health,

prioritises regional integration and is respectful of the protection of the environment and of workers' rights. Congress also calls for an enabling international environment that facilitates balanced economic and social progress, including for developing countries, and offers them an equitable stake in the globalised economy. It opposes the plunder of natural resources of developing countries by multinational companies and corrupt elites and supports developing countries' own efforts at increasing their value-added production capacity in full respect of workers' rights. The extraction of natural resources by multinational companies must benefit the communities and countries concerned and be consistent with sustainable development.

7. Congress recognises that trade and investment are necessary for successful development but rejects undue reliance on export-led growth at the expense of domestic markets and local needs, or respect for workers' rights. Economic growth must be high-quality and sustainable, and rooted in domestic demand built upon decent income levels, agricultural development and industrialisation through building of diversified and productive value-added capacities. International trade and investment rules, and investment in commercial food production by corporations, must not undermine the livelihood of small scale farmers and rural women and men.

8. Globalisation has given rise to the development of global production and distribution chains. In spite of its "global" nature, the crisis has at the same time led to a resurgence of protectionist trends. In this context Congress calls for a strengthening of the relationship between trade union organisations at the national and international levels in order to work together against the effects of social dumping, especially when this results in violations of fundamental workers' rights. Congress affirms that fundamental workers' rights are critical to achieving sustainable economic recovery and an effective response to the crisis.

9. Congress affirms that the new development model must prioritise decent work opportunities for all and achieving balanced economic and social progress and environmentally-compatible development. It rejects an exclusive focus on economic growth and the assumption that social progress is an automatic outcome of economic expansion. Current calculations of GDP do not reflect the whole picture of growth and prosperity and Congress therefore supports the development of new definitions with better indicators that could provide a clearer picture of progress in the social, economic and environmental fields. Congress calls upon governments to reverse the trend toward more jobs in the informal economy and the increasing precarity of work, through the strengthening and extension of labour legislation and its more rigorous enforcement and full recognition of the role of workers' organisations. It calls for the implementation of the ILO Declaration on Social Justice for a Fair Globalisation and of an ILO Decent Work Country Programme in every developing country, which require support from both multilateral and bilateral donors as part of their development cooperation and the involvement of trade unions at all stages and in all aspects of these measures. Strengthening public labour inspectorates should be a key component, and ILO Convention No. 81, Labour Inspection and ILO Convention No. 129, Labour Inspection (Agriculture) need to be ratified and fully implemented by all governments.

10. Congress insists that fairer distribution of income is a precondition to any sustainable form of development. Reducing inequalities must be an explicit goal of national development policies including through powerful redistributive tools such as collective bargaining, progressive fiscal policies, living wages or improved minimum wages, guaranteed accessible and high-quality public services and improved social protection. Tax justice is central to this new development model. Increased mobilisation of domestic resources for development should focus on fiscal reform, strengthening tax administration and broadening the tax base and eradicating tax fraud and tax evasion. Governments should seek to establish or strengthen the income redistribution function of their tax systems by establishing progressive regimes that require the highest tax contributions from capital gains and from the wealthy and provide tax relief for low income families and the poor. On the investment side, the focus must be on enabling measures for public finance management as well as social infrastructures including health, education for all to provide people with skills and access to knowledge so that they can take action to protect their living and working conditions, and decent work strategies.

11. Gender equality must be another specific objective and Congress calls upon governments, donors and trade unions to sharpen the focus and the impact of development policies on gender issues. The provision of basic public services is an essential prerequisite for achieving gender equality and empowering women.

12. Many multilateral and bilateral trade and investment agreements between industrialised and developing economies affect developing countries' integration processes negatively by undermining regional integration and generating and exacerbating unemployment. Congress calls for a strengthening of regional integration processes, and recognises the potential of regional markets to boost sustainable growth and that building a social dimension into regional integration remains an important challenge for trade unions and their allies.

13. Congress insists that the protection of the environment and of those most vulnerable to environmental degradation must be an integral part of the new development paradigm. Governments must ensure that their policies are respectful of the environment and that "just transition" strategies are put in place in order to provide a socially fair and environmentally responsible pathway to sustainable development. Congress calls for a full-scale transformation of global production systems and consumption patterns in order to safeguard our societies and workplaces whilst protecting and promoting decent work for all. Trade unions must play a central role in that unprecedented transformation. Congress undertakes to promote an integrated sustainable development approach including a just transition that brings together social progress, environmental protection and economic needs within a democratic governance framework in which trade union and other human rights are respected and gender equality is secured. It is a responsibility of developed countries to provide finance and to transfer the technologies necessary for the success of such strategies in developing countries.

14. Congress stresses the need to meet all basic needs and calls for an ambitious strategy to provide access to water to millions more people through comprehensive water cycle policies, including water saving and treatment and investment in dams and hill reservoirs in those countries that need them; and for a further bold strategy to facilitate access to accommodation for the majority through the construction of social housing. It draws the attention of governments to the widespread and anarchic urbanisation policies in developing countries that are upsetting societal, economic and social balances, aggravating poverty and creating new needs not in line with people's income. Congress supports sustainable agriculture and rural development and denounces the current practices, which are tantamount to agrarian neo-colonialism, of purchasing huge areas of land in developing countries for commercial food export with a potentially negative impact on indigenous food and culture. Development policies must ensure food security and increase the capacity of local producers to contribute to realising the right to food for all.

15. Congress affirms that achieving sustainable development requires achieving social justice. This needs democracy, fairness, good governance, strong and accountable institutions and the elimination of corruption, and Congress underlines the clear responsibilities of both developed and developing countries in these areas. Rigorous measures should be in place to ensure that funds from donor agencies and IFIs do not contribute to corruption and poor governance. Congress recognises the role that trade unions in developing countries have played to strengthen democracy and the application of the rule of law, and pledges continuing support to them in that work.

16. Congress deplores that despite international commitments aimed at ensuring country ownership of development strategies, today's reality remains that development policies are often driven by donor countries' political or trade priorities or by international NGOs' own agenda rather than by democratic debates taking place at the national level. Congress declares that democratic ownership of development strategies by the people through representative institutions is the main instrument in achieving effective governance of development, and that there can be no democratic ownership in the absence of social dialogue. It urges international organisations, donor agencies and developing country governments to ensure they have the necessary democratic policy space. Congress calls for a true implementation of the principle of democratic ownership, increased policy space for developing countries and insists that

national parliaments, the social partners and civil society must have a say in defining development strategies.

17. Congress underlines that an enabling international environment requires financial stability and space for counter-cyclical stabilisation policies to be implemented in developing countries. Congress calls on the International Financial Institutions to contribute to the establishment of that environment rather than advance the interests of rich elites or of a minority of countries. There is need to fundamentally review not just the internal governance of intergovernmental institutions but their overall orientation, policies, goals and mandate in order to address them adequately to the urgent task of attaining development, ending inequalities and creating jobs for sustainable development, particularly in the developing countries where their devastating impacts have never been felt more.

Furthermore Congress urges donors to cancel the debt of LDCs without economic policy conditionality. The creation of a fair and transparent mechanism for sovereign debt restructuring and cancellation and to review the legitimacy of the debt is urgently needed. Congress condemns the actions of so-called 'vulture funds' and welcomes legislation to ban their use of the courts to steal developing countries' money.

18. Congress calls on governments to maintain and intensify commitment to achieving the UN's Millennium Development Goals (MDGs) by 2015 and underlines that the promotion of decent work is instrumental to achieving the objective of the first MDG, the eradication of poverty. Industrialised countries must honour the UN commitment to allocate 0.7% of Gross National Income (GNI) to Overseas Development Assistance (ODA). Additional finance for development must be provided through new forms of international taxation assessments and contributions and in particular taxes such as an international tax on financial transactions, which could also be used for initiatives against climate change. It is important that aid be predictable and untied, respectful of the democratic development choices of developing countries and supportive of the role of the state. Consideration should be given to the creation of a Development Fund for poor countries for sustainable industrialisation.

19. In the event of huge natural disasters such as large magnitude earthquakes, Congress calls for the international community to establish effective and rapid arrangements for limiting human loss and assisting in the urgent reconstruction of towns and cities and their essential basic infrastructure.

ITUC Action Programme

20. Congress instructs the ITUC and regional organisations, working together with Global Unions partners and affiliates, to:

(a) Defend, promote and advocate this new model of development among national and international institutions;

(b) Work for reform of the international financial and economic institutions, economic recovery programmes that focus on stimulating domestic demand on a counter-cyclical basis, new forms of international taxation, abolition of tax havens, a review of trade and investment treaties and agreements to ensure they promote development, and a fairer distribution of wealth within and among states;

(c) Work together, subject to respect of trade unions' role and representativeness, with other civil society organisations and movements, including women's and youth groups, that share our values in supporting the promotion of a new development paradigm that includes a new development index instead of GDP, able to measure social and environmental well-being;

(d) Support initiatives to shift international development assistance from aid effectiveness to development effectiveness, and endorse the work being done by the Trade Union Development Cooperation Network (TUDCN) to bring greater coherence and improved coordination to trade union development cooperation;

(e) Support affiliates on issues related to the implementation of the new development model including in their fight to reverse the trend towards casualisation and informalisation of work, and to protect workers affected by it;

(f) Strengthen the capacity of member organisations on the issues addressed in this resolution.

June 2010



TRADE UNION PRINCIPLES ON DEVELOPMENT EFFECTIVENESS

Context: This document has been prepared following the establishment of the Trade Union Development Cooperation Network (TUDCN), created by the International Trade Union Confederation (ITUC), bringing together trade union organisations and TU Solidarity Support Organisations (SSOs) both from the north and the south, which are active in the fields of international development cooperation and human rights. This includes members of the ITUC from the industrialised countries; the regional organisations of the ITUC (Africa, Asia/Pacific & Middle East, the Americas, and Eastern Europe); and the Global Union Federations (GUFs), which represent sector unions both from the south and the north at international level.

TUDCN brings together autonomous TU organisations, democratically representing affiliated workers in their respective countries. ITUC and GUFs member organisations have equal rights and obligations.

The network's aim is to boost the importance of trade unions in international development and improve the coordination of trade union development cooperation activities.

Purpose of the Principles: To define a set of fundamental principles for trade union organisations to endorse and use when operating in the field of international development cooperation.

These principles are designed to serve as a reference and a guide for development cooperation initiatives, to enhance the impact of trade union solidarity actions in the developing countries. They are meant to apply in all situations, whether trade unions are using internal resources or donor support coming from national official development agencies or multilateral institutions.

These principles may also serve as a tool to spread awareness about the role of trade unions and their working methods and dynamics in the field of development cooperation as well as their understanding of development effectiveness.

Trade Union Development Effectiveness: Sustainable trade unions improve the working and living conditions of male and female workers and advance respect for human and trade union rights, thereby contributing to social justice and democratisation processes. Trade unions are both a social partner and a part of civil society.

Trade Union Development Cooperation Principles:

DEMOCRATIC OWNERSHIP

Trade unions define democratic ownership as *respect for and responsiveness to the objectives and priorities of trade union partners, with a view to building their self-reliance within the context of the mission of the international trade union movement*. This means that partner organisations, based on the challenges they face in their operating environment at country level, define and determine their own needs within their democratic structures and elected leadership, which in turn should be a reflection of the plans, choices and orientations of their affiliated members.

Donor organisations support the priorities of partners, and they use appropriate experience and expertise to accompany them in the design and effective implementation of development cooperation initiatives, recognising and respecting the partner's primary responsibility in these tasks. Democratic

ownership in the trade union movement is a dynamic concept that takes account of local and global challenges facing trade unions as international actors.

PARTNERSHIP

Partnership aspires to be a *'relationship of equals, based on mutual respect, trust and understanding, where diversity and differences are recognised and accepted'*. Trade unions understand partnership to be a two-way relationship and a learning process for all parties involved. Partnership is based on a solidarity approach centered on inter-organisational cooperation. It is founded upon long-term shared values and principles relating to the rights of working people and their democratic, representative organisations. In these terms, partnership represents a participatory form of cooperation designed to strengthen trade unions' capacity, through utilising respective strengths and responsibilities and within a shared international framework. In line with this dynamic, initiatives should be managed, whenever possible, in a decentralised manner that recognises the partner organisations' primary responsibility for their own development.

AUTONOMY

For trade unions the principle of autonomy is deeply interconnected with democratic ownership, and it is a precondition for autonomy within north-south trade union relations. Donor trade unions commit to maintain independence from political strategies of governments/employers, and/or international donors, safeguarding the needs, the interests, and the priorities of the partner organisations, which have emerged from a democratic membership driven process.

Trade union donor organisations commit to respect the autonomy and the ability of their southern partners to make decisions and take action without political interference. Autonomy is also an important value for the development of the trade union movement as such. It does imply the capacity of the local organisations to establish their organisations politically, intellectually, organisationally and financially without external interference. Cooperation partners should support and promote that autonomy.

TRANSPARENCY

Trade unions define transparency as *a commitment to high standards of openness and access to information, helping to build the trust necessary for equitable relations between trade union partners to grow and become stronger.* Transparency relates to both the achievement of effective trade union multilateral cooperation among organisations involved in development initiatives at regional level, as well as to bilateral cooperation between partner organisations. Transparency and openness in reference to internal and organisational development constitutes a fundamental principle for any partnership. Trade unions are committed to working toward ensuring maximum transparency in financial aspects and in terms of organisational management, as well as sharing information on development cooperation initiatives dealing with similar thematic or geographic areas.

ACCOUNTABILITY

Trade union organisations are bound to multiple forms of accountability. The first and most important form of accountability of trade union partners is toward their members. They should be in control and be aware of the contribution of cooperation initiatives in the bettering of their living and working conditions in general and the improvement in the quality of their trade union work in particular. Partner organisations are also bound to accountability towards donors in terms of using resources according to agreed standards and conditions.

Because solidarity projects are often supported by internal trade union funds, donor organisations in turn are accountable to their leaders and members and must seek to ensure political coherence and sound financial management. Where trade unions have access to public/government resources, they are also accountable to taxpayers. Therefore, *donor and partner trade union organisations commit to a system of mutual accountability at a political and financial level, providing a basis for the joint assessment of evaluation, impact and lesson learning to gain increased effectiveness in future activities.*

COHERENCE

Trade union organisations aim to achieve maximum level of global coherence among the variety of development cooperation initiatives. There are several elements of coherence: *policy coherence*, meaning compliance with policies elaborated and approved at regional and global level; *strategic coherence*, as contributing to the achievement of overall processes supported by trade union partners at county level; *coordination coherence*, operating in order to avoid duplication and towards optimum use of resources.

Coherence is the key element to ensure complementary linkages between the single project's strategic objectives and other initiatives (past, present or future) with a view to minimising duplication of efforts and avoiding potential counterproductive effects. Coherence also refers to relating local action and bilateral solidarity to the overall context of the global trade union agenda, both in terms of policies and development cooperation practices. Trade unions recognise the role of the ITUC, its regional structures and the GUFs in strengthening coordination and making it more effective. Partner unions commit to provide relevant and appropriate support and communication in order to facilitate optimum coordination mechanisms at various levels. Partners will also endeavour to ensure coherence between national and international policies and commitments, including their communications and interactions with their own members and governments (when they receive financial support).

INCLUSIVENESS AND EQUALITY

Trade unions and solidarity support organisations commit to target, as part of their development cooperation programs, the most marginal and less represented groups of working people. Depending on national and local contexts, these groups might be migrant workers, youth and the elderly, workers in the informal economy, disabled workers and workers living with HIV. Trade unions also commit to practices supporting equal opportunities in order to enhance the empowerment of women and youth in the development process as well as their participation in decision-making within trade union structures at national, regional and international levels. Cooperating partners will strive to use gender impact assessments as an integral component of evaluation methods in their development cooperation projects and programs so as to enhance gender equality.

SUSTAINABILITY

Trade unions understand sustainability as the long-term viability of project outcomes, as well as the strengthening of cooperating trade union organisations. All the principles enunciated previously contribute to the development of sustainability. Sustainability comprises self-reliance, ownership, autonomy in political and economic terms, thus contributing towards eventual independence from external assistance of partner organisations. In this perspective, development cooperation will support empowerment and self-financing mechanisms. It will also include phase-out or exit strategies developed jointly by the partners and designed in ways that will contribute to building sustainability.

Trade union dimensions for sustainability include:

- The democratic sustainability of an organisation is primarily assessed by the extent to which the organisation has established and complies with formal structures and procedures, which ensure that decisions and the policies have been democratically determined. Equally important is the organisation's ability to accommodate the views of minorities and develop a culture of consensus, which ensures continued support from all members, and promotes trade union unity
- Political sustainability is manifested through the organisations' ability to develop its own political strategies, which can serve to exert influence on the relevant decision makers, as well as in general public debates of the society in which they operate.
- Organisational sustainability is the organisation's ability to administer and prioritise its tasks and work areas that enable it to fulfil its mission and commitments. This includes membership recruitment, internal organising, capacity to provide services to workers as well as the ability to develop and manage budgets, including the collection and administration of membership fees. All development cooperation initiatives should seek to contribute towards improving organisational sustainability.
- Financial sustainability: Financially sound practices should be put in place and should apply to all aspects of development cooperation, including remunerations. This will contribute to the financial sustainability of the recipient trade union. They should also apply to the collection and administration of membership fees, so as to financially sustain the organisation after external funding has ended.

WS 1 members 11/01/10

