



**Address by Mr. Juan Somavia,
Director-General of the International Labour Office
to the Founding Congress of the
International Trade Union Confederation (ITUC)
(Vienna, 1 November 2006)**

Brothers and sisters, Adrien Akouete, Carlos Rodriguez, Willy Thys, Guy Ryder, dear friends, chers amis, queridos amigos, I am here to salute you all.

To admire your vision and determination.

To celebrate your commitment to unity in diversity.

And let me begin by applauding you – all of you individually together with Guy Ryder and Willy Thys and all the other leaders who had the courage to make real an idea whose time had come.

Chapeau, felicitaciones, congratulations!

Allow me say that you have chosen an exceptional leader as General Secretary. A trade union leader with a multilingual capacity, a multicultural mind, a tripartite conviction and a respect for others... and as some of you may have noticed in this complicated unification process, a leader unafraid to make the hard decisions when necessary.

Brothers and sisters, what can I say to you? This is a truly impressive gathering. You have power in your hands. Of course, it is a sad emotional moment to say goodbye to two institutions that have shaped your lives. I want to thank you for inviting me to share this occasion with you. It is a great honour.

There are symbolic moments in social struggles that mark our collective memory.

Future generations of trade unionists will look back at Vienna, on 1 November 2006, and admire the vision of the founding mothers and fathers of ITUC.

All of you in this room and the 168 million workers you represent.

You have that wonderful phrase in the trade union movement. “We stand on the shoulders of those who came before!” Let me add – you are building ITUC on a proud past!

We are remembering great leaders and friends. In Latin America an important role was played by two trade unionists, who I am proud to call friends, who are no longer with us – Emilio Maspero and Luis Anderson.

Yours is a history in which the international development of trade unionism is interwoven with the history of the ILO.

To begin with, the ILO would not exist without the determined efforts of the pioneers of international trade union movements in the years proceeding and after the First World War. They joined forces with enlightened industrialists and moral leaders of the time.

In 1919, getting governments to invite employers' organizations and unions to join with them in developing international labour law was completely unheard of. It was an incredible unbelievable step, and I think all of us wonder whether it could be created today given the influence of neoliberal values.

As President Roosevelt said some years later, "To many (the ILO) was a wild dream. Who had ever heard of governments getting together to raise the standards of labor on an international plane? Wilder still was the idea that the people themselves who were directly affected – the workers and the employers of the various countries – should have a hand with government in determining these labor standards."

And with your support, that wild dream has confronted successfully the test of time. And so have you.

And here we are again, launching the ITUC, considered not so long ago a wild dream. So our partnership is continuing.

At every step in the evolution of the ILO, trade unions pushed for action, defending it in difficult times and strengthening it at every opportunity.

And in that, the World Confederation of Labour (WCL) and the International Confederation of Free Trade Unions (ICFTU), and their predecessor organizations, were always united in a shared commitment to freedom of association and the ILO.

Freedom of association and the right to organize have been and must continue to be a cornerstone for your unity of action and for our work together.

In most of your countries the ILO has at one time or another played an important role. Practically every national labour code has ILO fingerprints on it.

We set up an international process for the application of labour standards and we engaged in the struggle.

Poland, Indonesia, South Africa, Turkey, my own country Chile, remind us that there are so many examples of trade unions struggling for freedom and justice nationally, with the ILO being the international forum to defend their rights.

Today allow me to salute the heroic struggles of the trade unionists in Belarus, Burma/Myanmar, Zimbabwe and welcome the new light shining in Nepal. Let us together show our solidarity!

As a result of the work of the Applications Committee, we have helped put together a tripartite agreement in Colombia on Freedom of Association and Democracy. It entails setting up

an ILO permanent representation in Colombia aimed at promoting decent work and the defense of the fundamental rights of workers.

Let me also have a special thought for the continuing trauma of the working people of Palestine and Lebanon and our friends in the labour movement. It calls for our solidarity and support to their efforts to build independent and democratic trade unions in the most difficult of circumstances.

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The struggle for freedom is also a struggle for social justice, for stability, for security, for peace in communities. It is a daily task in which trade unions are at the forefront.

You have been leaders in helping to define and advance our Decent Work Agenda.

Let me say, I read the speech of Sharan Burrow to the ICFTU yesterday and it was an extraordinary synthesis of how the Decent Work Agenda can make change possible. And building on what she said, I must also salute all the women in the room for the commitment to gender parity in the ITUC. You have my full support.

As you know, this Agenda has received major international backing. Never in the history of the ILO have we had such high-level political support in all regions of the world, and within the United Nations.

This does make me feel a little bit of pride because when you asked me to be a candidate for ILO Director-General you told me that one of your priorities was to make the ILO's voice heard in the international institutions. Well with the Decent Work Agenda we have done that. We have connected with people and politics. We know that no politician can go to elections without talking about jobs. On that firm national foundation, the ILO's goal is now a global goal.

But nothing is more important than the backing of the new ITUC Constitution.

Let me quote one of the aims you adopted this morning: "It shall work to strengthen the ILO, and for the setting and universal application of international labour standards, and to win representation at other international and regional organizations with a view to having their policies and activities contribute coherently to the achievement of decent work, social justice and sustainable development."

Thank you for your commitment to strengthen the ILO. We are at your service.

For the ITUC, securing decent work opportunities for all is now a constitutional mandate.

We should build on this overall support to decent work to make it a foundation of a new global social contract we direly need. This cannot be achieved from one day to the next and we will have to work for it.

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Success opens avenues and opportunities, but it also expands responsibility.

Now the task is about making the commitments to decent work on paper come alive in the daily lives of working families.

It is about acknowledging that the Decent Work Agenda, having become a global goal, we must now make it a national reality.

It is about intelligently mapping out country, regional and global strategies, and how to organize ourselves to make it happen.

The principal obstacle I see is that we have an economic system and a globalization process that have progressively devalued the dignity of work – your own dignity as workers!

We live in a world that is trying to diminish workers' rights while, at the same time, increasing the rights of capital – and it is not acceptable!

Why? Because the global economy is operating in an ethical vacuum.

Without a moral compass. With a winner take all mentality.

We must re-establish the notion that honest hard work is the legitimate source of wealth and well-being.

That non-discrimination, social justice, fairness, equity, solidarity, are essential and welcome values in democratic societies.

There is dignity in work. There is indignity in treating work as just another commodity.

Pope John Paul II said it clearly in addressing a tripartite audience on key labour issues on the first of May of the Jubilee Year 2000.

I quote: “The commitment to resolve these problems in all parts of the world involves everyone.

“It concerns you, owners and management, you, financiers and you, craftsmen, trades people and workers.” And he continued: “All must work so that the economic system in which we live does not upset the fundamental order of the priority of work over capital, of the common good over private interest.” End of quote.

These are global values. We must never be afraid to defend values.

So, how do we get there?

Well, the ILO and the ITUC response is the Decent Work Agenda and a fair globalization. They are both founded on values that respect human dignity.

Let me share with you my thoughts on five issues on which I believe we – the ILO and the ITUC – have to act on decisively to overcome the obstacles and create the conditions for achieving the lofty goal you have set.

Conditions are ripe for a breakthrough. We can move forward on all these issues.

First, we need to reverse widening inequalities and particularly increase the labour share of national income.

For this we need growth, but of a different kind, a quality growth that values labour.

Not to speak of environmental degradation, global warming and the need for a sustainable development approach.

Increased global competition favours those with the advantages of wealth and power, or scarce skills, but is weakening the position of too many working women and men. People in the middle are getting squeezed.

According to one recent alarming report by the Economist magazine, labour's share of national income in the richest countries is the lowest in three decades "if real wages continue to stagnate..., political support for globalization may fade and the...gains...lost."

So we need to increase the earning power of women and men who work for a living.

A particularly important group is those currently trapped in poverty and informal work. But I am also thinking of people who think of themselves as a middle class and are feeling the squeeze too. Mobilizing across these income and status levels is vital.

Central to this objective is that global economic growth must create more employment opportunities. This is a top political priority for women, men and youth of the world.

The harsh reality is that even at high rates of growth, the new global market economy is simply not producing enough decent jobs worldwide.

In the last ten years, official unemployment figures have increased by more than 20 per cent and the informal economy keeps growing.

As a recent ILO report explains unemployed youth make up 44 per cent of the world's total unemployed despite the fact that their share of the total working-age population aged 15 and over is only 25 per cent.

So what action should we take? We must lobby and engage employers and governments to make job creation and enterprise development a priority objective of development and policy-making. There is a growing consensus that present policies are not doing it. There is a space for action.

We must promote a convergence of investment, education, health, labour market, local development and other policies to meet the challenge of reducing decent work imbalances and achieving the Millennium Development Goals.

Governments that control the Bretton Woods institutions must look at the impact of their policies on employment.

To promote cooperation among international organizations, the ILO launched a policy coherence initiative on growth – investment and jobs in which the Bretton Woods institutions are participating. We are pushing the envelope. Agreeing on new policies on all these issues is difficult but doable.

We are trying to turn the agenda around and establish the goal of decent work at the centre and put other policies to the test of what they are doing to get more and better jobs out of growth.

After all, job-weak growth results in less consumption, more migration, more child labour, lower aggregate demand and thus less investment, less funding for pensions, less taxes, less resources for social policies, and ultimately – more poverty with greater income concentrations.

Both developed and developing countries need focus on social protection. We must diminish the severity of poverty for the most vulnerable groups – children, the elderly, the sick and disabled, the unemployed – at the same time as allaying the uncertainties of middle-class families and ensuring effective pension systems.

Experience of many developed countries demonstrates that building up wages and social protection is part of a successful strategy for development and competitiveness.

Wages as a share of national income are moving in the wrong direction in many countries – it is a basic fairness question. It is rapidly becoming a central issue in national political debates.

I believe that it is one the ILO should address. A decent income is part of decent work.

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Second, strengthening the ILO standards system is essential to meeting the challenge of global production systems.

Globalization has dramatically changed the way businesses organize production.

Employers, public and private, are constantly rethinking what they do themselves and what they buy in from subcontractors, some of whom may be on the other side of the world.

This creates many opportunities for new and better jobs. But it also makes old skills redundant and threatens long established working communities.

In this era of intensified competition, the list of demands for flexibility lengthens daily – new unsocial shift patterns, on call overtime, involuntary part-time working, pay cuts, indefinite lay-offs, redundancy followed by rehire by a so-called new employer.

Yet good employers know that efficient working arrangements are usually based on training, retaining an experienced and committed workforce and good relations with unions. Too much flexibility can destroy long-term productivity.

Furthermore, both workers and employers need flexibility and security. Can you imagine the reaction if some people started talking about flexibility of property rights?

Hitting the right balance requires a sound platform of labour laws, dialogue and collective bargaining between trade unions and employers and their organizations on employment relations.

This is an area in which ITUC and the International Organisation of Employers (IOE) could develop some joint principles to help find those balances in concrete situations. And on that basis, the ILO could develop tripartite guidelines.

In many cases the best way forward may be at the sector level and we should be ready to support that – a big role for global unions!

Many countries are indeed rethinking their employment systems.

In a few we are seeing organized adaptation through dialogue.

But in many others, legal protections are being weakened and union representation and bargaining pushed back. And of course we have some export processing zones that are in effect no-go zones for labour law and unions.

The frontline of the struggle to ensure that workers have a say in adapting to the new global realities, remains national, even local. However, globalization has made the international framework of labour standards established by the ILO increasingly necessary.

Applying global principles in national laws and regulations is vital to ensuring that progress in one part of the world is not held back by regression somewhere else. This is the foundation for the ILO's standards system.

Dialogue among unions within ITUC, as well as the Global Unions, could help to address the many complex issues involved in off-shoring, delocalization and other related subjects.

Increasingly, in their corporate responsibility statements companies are pledging their adherence to socially responsible labour practices often drawn on ILO standards.

Some are taking this further and reaching framework agreements with international trade unions.

I welcome these initiatives.

But we must ensure that voluntary commitments by employers do not become public relations exercises or a substitute for sound laws based on ILO Conventions.

All of this does not take place in a vacuum. It is a part, a vital part, of the movement for a fair globalization with decent work for all as its compass. This is the way to channel the backlash to globalization.

If working women and men are to embrace the positive potential of change, they need to know that they have the means for discussing and agreeing on how to counteract the risks of unemployment and deteriorating pay and working conditions.

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This leads me to my **third** major challenge facing the ITUC and the ILO.

We must reinforce tripartism and social dialogue.

This is not easy! Headlines tell us everyday that in so many places, the mood in the world today is closer to diatribe than to dialogue.

We need to work hard at building the trust among social partners that generate good results.

I believe that we have no substitute to dialogue if we want a stable twenty-first century. We know what happens when there is no dialogue. Yet not forgetting that sometimes you need to pound the table and take to the streets if counterparts don't understand. We have all done it.

But, if we want to reap the benefits of having made the Decent Work Agenda a global goal and a national development objective, governments, employers and workers will have to significantly increase their commitment to dialogue and negotiations.

Making decent work a global goal was achieved through a basic tripartite agreement within the ILO and good international advocacy. Equally translating it into a national reality in a stable, progressive manner is only feasible through effective tripartite discussion and negotiation within each country. That is a big task for all of you.

The ILO Decent Work Country Programmes provide a unique opportunity to voice the interests of trade unions. I want to invite all of you to be active in working with governments and employers to this end.

Through our offices and the Bureau for Workers' Activities (ACTRAV) we will give you the necessary support.

But we have no time for complacency. The window of opportunity for tripartism to show its relevance and power in the twenty-first century may be quite short.

We need to show results by 2015 – the target date for the Millennium Development Goals – which ILO constituents in Asia and the Americas have already set as a framework for Decent Work Country Programmes. The same effort is underway in the preparations for the forthcoming Regional Meeting in Africa.

One reason I think we can do it is that today there is a strong spirit of tripartism within the ILO's Governing Body and our Conference. There is ample space for ITUC and IOE to continue expanding cooperation, as they have on HIV/AIDS, and youth employment.

Together, with local constituents, you could work at the country level to promote dialogue and understanding of Decent Work Country Programmes.

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And this brings me to my **fourth** point.

We need a global decent work movement, around which many voices and organizations can come together.

Showing how the Decent Work Agenda can actually contribute to cutting poverty in half and shaping a fair globalization are ambitious objectives. Furthermore, getting there is not entirely in our tripartite hands. ILO will need allies.

The struggle for decent work is an integral part of the struggle to deepen democracy.

I believe that it is of such magnitude and importance that unions are facing a heavy burden basically alone. You will need to build partnerships with a range of like-minded civil society organizations, parliamentarians, local authorities and other relevant citizens' groups.

Historically, within the broad labour movement you have always had close connections with cooperatives, social insurance societies, workers' education groups and others, as well as with your traditional political allies.

But people also organize around a multitude of other issues, many of which are close to your own concerns.

Worldwide, organization for advocacy is widespread but highly segmented. Today, too much of this energy for change is dispersed, issue-oriented, disconnected from wider struggles.

The clarity of purpose that made ITUC a reality will now have to be applied to the wider sphere of other global actors.

Many unions have already made such alliances in campaigning for goals such as human rights, gender equality, debt relief, an end to child labour, or participating in Porto Alegre.

Important civil society organizations are natural allies of the trade union movement and have already launched a "Decent Work for a Decent Life" campaign.

There is an urgent need for a global decent work movement and only ITUC can provide the global, member-based, democratic infrastructure to make it happen.

You can give it the backbone that organized labour can provide to broad social campaigns.

There is a leadership role for a new trade union internationalism that is waiting to happen, it is an opportunity waiting to happen.

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My **fifth** and final challenge for the ILO and the ITUC is that we must persist in our commitment to workers' right to organize. It must be strengthened in every possible way.

None of the other challenges I have laid out is feasible unless the world can benefit from the presence at the workplace and in society at large, from strong, democratic and independent unions.

Every union faces its own challenges, but viewed globally, probably the biggest organizational challenge unions face almost everywhere is reaching out to workers in the informal economy.

In developing countries, this is tough work. Long hours for very little income. No social security or health insurance. Lots of harassment. Women, men and too often children certainly need the protection of organizations. Street vendors have shown it can be done.

Organizing workers in the informal economy is a fundamental right. It has to go hand in hand with helping to organize poor employers. It can be concerted with local authorities' programmes on infrastructure, social services and training.

Here, organizing has a wider meaning, a local development meaning, helping whole communities onto a trajectory of increasing productivity, improving incomes, improving working conditions, better quality products and services. For many communities in Africa, Asia and Latin America this is the need. There are many different forms of organizing, including cooperatives. Many unions here today have developed this sort of strategy. I applaud their courage and innovation.

I also see here many established union confederations with a long and proud history that face the equally tough task of reversing a loss of membership.

Organizing the geographically and occupationally mobile workforce in the formal economy of the twenty-first century requires different methods to those of earlier years.

All of you are testing creative methods. There is no doubt that a major overhaul in approach will be necessary. Innovation is at a premium.

For example, I think that in the era of globalization, trade unions will be increasingly called upon to represent, again, wider societal interests as they have in the early stages of trade unionism, in post-conflict situations, or in the struggles against colonialism or dictatorships.

Leading the fight for a fair globalization or decent work for all, for women and men, members of a trade union or not, are examples of contemporary opportunities you have to reach out.

This will also shape the manner you define your profile and the services you provide in searching for new members. Inviting workers to a wider struggle beyond the workplace may attract many women and men, especially youth, in search of inspiring causes. I think the moment is ripe.

But whatever approach you take in organizing, the main thing workers and their unions need is greater protection for their local volunteer organizers.

I want to pledge once again my personal and institutional commitment to the security of labour organizers; and to make our supervisory machinery work effectively. And let me here salute the efforts of Luc Cortebeek. He is the latest in a long line of tremendous union spokespeople on our Conference Committee on Standards.

Especially when workers are worried about their future, joining the union is a step into the unknown. It is still a harder step to take where the fundamental principles of freedom of association are not respected and union organizers and members face intimidation, harassment and worse.

That is why we have promoted the Declaration of Fundamental Principles and Rights at Work as a basic social floor of the global economy. This was recognized in 2005 by the UN World Summit by more than 150 Heads of State. It gives us an additional international hook for national actions.

In close cooperation with ICFTU, we have worked with the World Bank's International Finance Corporation to use the Declaration principles as criteria for private sector lending. This

has also been accepted by 40 major banks that follow the “Equator Principles” in their project lending.

In Cambodia, Central America and Jordan, we are helping to find a positive link between trade liberalization and better application of labour standards.

The ILO receives dozens of complaints every year from unions that have tried to help workers get organized but find obstacles at every turn in the way of this basic human right. Our job is to systematically find out what happened and if it was wrong have the government put it right.

The bottom line is that the ILO will continue to cooperate with the ITUC to do everything in our power to protect union organizers from intimidation and worse.

As I have said before, any trade unionist in danger is just a phone call away from me. Use it whenever it is necessary.

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Dear friends,

- Ensuring that growth delivers decent jobs and wages.
- Reducing inequalities.
- Striving for gender equality.
- Strengthening standards.
- Reinforcing tripartism and social dialogue.
- Reaching out to others.
- Safeguarding the fundamental right to freedom of association.

That is our common agenda, around which to organize, lobby, develop partnership and push for change.

I see our efforts lining up in ways we might never have imagined.

The political forces, the social development actors, the civil society voices, international organizations are all coming together around decent work for a decent life.

We have significantly influenced the global agenda.

The movement and the moment have arrived.

Sociologists might call it a tipping point.

The man or woman on the street might say it is a wake-up call.

Politicians might feel it a call to attention.

But I would call it an enormous opportunity; an opportunity for us to join forces and deliver together on the top political demand of women and men everywhere: the human aspiration and the fundamental right to the dignity of work and dignity at work.

We have that opportunity because of you and your unity. Your energy here in this hall makes the ITUC a potent force.

I feel empowered by you. I have more strength today. There is a feeling in the air, it is untouchable, you cannot put it on paper, but it is inspirational. A flow, that goes right to the heart. You are demonstrating an impressive sense of purpose. It gives me enormous strength to do the job you asked me to do at the ILO.

You have a close friend of the trade union movement at the ILO.

I wish the ITUC every success for the future.

Thank you for the honour of inviting me to share this precious moment with you.

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