

THE CIVIL SOCIETY PERSPECTIVE

Peter Gortzak, Chairman of FNV Mondiaal, vice-chairman FNV

Peter Gortzak is vice chairman and general secretary of the biggest trade union in the Netherlands. He is also chairman of FNV Mondiaal. Gortzak comes from the public sector union (AbvaKabo) where he became member of the daily board in 2000. He also trained as a lawyer. He has been actively engaged in understanding and addressing the challenges of globalisation, not only from the perspective of the Netherlands, but also from that of developing countries. For instance, in 2006 he helped explore the possibilities to organise a social dialogue along the Dutch 'poldermodel' example in several Latin American countries including Bolivia.

FNV Mondiaal stands for the development department of the Dutch trade union FNV. We are trying to bring aid to colleagues in poor countries to help them organise themselves. We have funds from three sources: firstly, from the Dutch government, which has a special programme to enable us to do this; secondly, part of the contributions from our members is intended to help colleagues in poor countries; and thirdly, when we are going into collective bargaining, when we make collective agreements, we can sometimes ensure that employers in the Netherlands reserve some money for this goal.

Role of trade unions in MDGs under globalisation

As regards the contribution the trade unions make towards the Millennium Development Goals, I think that poverty and the continuing existence of poverty is directly connected with four opportunities for generating and obtaining decent employment: good governance, aid and equal opportunities, and the strengthening of participation, be it in nations or in companies. The trade union movement plays an important role in poverty reduction, in creating equal opportunities, in education and, for example poverty prevention by combating the consequences of HIV/Aids.

Contrary to what some might believe, the trade union movement does not just represent the interests of a minority of employees, mostly men, who are well-off already. International solidarity and equality form the basis of trade union work. Unions from countries where union freedom is guaranteed support colleagues who have to do their work under more difficult circumstances; employees from multinationals form networks with colleagues who work in other countries. Unions, national and global unions, finance and support educational projects, projects aimed at the inclusion of women, equal opportunities and the prevention of and dealing with the social consequences of HIV/Aids. In particular since the mid-1990s, we have been actively organising people who work in the informal sector, especially in Africa, Latin America and Asia, but also in the developed countries. The international work of the trade unions is not well known and also often not well understood.

Even some of our own members in the Netherlands, when first confronted with international solidarity, questioned the need for it. In recent years, however, this has become increasingly easy to explain, and thus to gain support for our support of other unions and workers across the world. Dutch companies, or divisions of companies, are being sold to foreign companies.

Large parts of production are being moved to other countries. Employees see their colleagues being replaced by temporary workers, people who work for third parties, like agencies. The strategy of outsourcing and increasing flexibility is creating a feeling of insecurity; not least because workers and unions are informed of the changes at the very last moment. The situation makes it clear, also to our members, that international trade union solidarity is a must. Companies are operating according to a global strategy, and so therefore should unions and workers. In a world where companies are in a race with each other in the name of economic growth, or shareholder value, trade unions should join forces in demanding the globalisation of workers' rights, equal opportunities and decent wages.

Economic growth is not a magic tool for the creation of jobs and the eradication of poverty. Statistics show that profits stemming from economic growth are concentrated in the hands of the few and do not benefit the many. For example, over the last two years, there is not one country in Latin America that has seen its exports decrease. Between 2005 and 2006 the increase in exports was between 2 and 21%. However, this growth has hardly led to an improvement in the poverty rate. It has led to a growth of 36% in the wealth of people who were on the 2006 list of the wealthiest people in Latin America, though. Economic growth does not automatically lead to the creation of more and stable high quality jobs for a larger part of the population. Even in developing countries. If more jobs are being created they are often either temporary jobs or lower quality jobs further down the supply chain of the multinational companies.

Critics of the concept of globalisation and of the right to a decent salary claim that higher salaries lead to fewer investments. This seems to me to be a false assumption. ILO research shows that companies' decisions on investments are based primarily on the size of the local market and the possibilities of growth in market share and political and social stability – not on the cost of labour. Also, companies know that operating in a socially unstable or non-democratic country can have a negative impact on a company's operations. Countries with healthy democratic systems have better and more stable markets. Companies benefit from stability, but so do employees and the communities they live in. Decent work, good governance and respect for international labour standards all form part of the solution to a poverty crisis.

Trade unionism is a means for workers to liberate themselves from poverty and social exclusion. Workers use trade unions as their representative voice to demand their rights and improve their living and working conditions. The formation of trade unions was and continues to be a reaction against low pay, long working hours, child labour and generally appalling working conditions. Trade unionism has proven an effective tool for workers to escape poverty, exploitation and the violation of their basic human dignity. Labour standards, those in particular dealing with freedom of association and collective bargaining, are crucial in securing decent working conditions and social progress. The trade union movement has a unique role to fulfil in ensuring the fair distribution of the benefits of economic growth and productivity, and in making sure that in times of crisis the burden is evenly shared.

However, organising workers and defending their rights remains a dangerous business. In too many countries trade unions and trade unionists remain under attack by governments and/or employers. Unfortunately trade unionists are often killed because of the work they do.

For instance in Columbia, between January 1991 and December 2006, 2,245 trade unionists were killed, 3,400 were threatened and 138 simply disappeared under suspicious circumstances. Freedom of association and the right to collective bargaining are signs of democracy, and restrictions result in undermining equality and the fair distribution of incomes. Social dialogue cannot exist without respect for freedom of association and without independent trade unions and employees' organisations. Social dialogue is important in the fight against poverty. In countries where there is no culture of dialogue there is no industrial peace - any peace for that matter - and civil conflicts destroy lives and employment. Social dialogue will thrive where there is democracy, good governance and political will. Solidarity and the fair redistribution of wealth are essential.

Towards a pro-active approach of business

The answer to the question as to how companies could take a more pro-active approach to poverty alleviation is by assuming real responsibility. Outsourcing and the 'flexibilisation' of the workforce are at the core of companies' global strategy. Decent, stable jobs are becoming scarcer. Fifty years ago a company director and even managers were committed to the company and its employees. These days, employees seem to be just one of the disposable parts of the company. Multinational companies do not seem to feel real responsibility for their employees, for the individual and his or her family. In our view, the responsibility of companies surpasses the responsibility for employees while they are still employees.

In countries like the Netherlands, companies are slowly becoming aware of the responsibility they have for their employees – even after the termination of their employment contract. When a company is laying people off or when it is selling off a division to another company, our unions negotiate jobs and training possibilities or lend support to finding new positions elsewhere. Unions negotiate the continuation of salary levels, benefits and pensions for employees whose company or department is being sold to another company. If there is really no other possibility, we make sure employees receive decent financial compensation when they are made redundant. But this is the Netherlands.

In comparison to people in India, China and Brazil, the Dutch are better equipped. We have social security, educational opportunities for everyone and a good standard of living. Still, the measures I mentioned above are considered absolutely necessary, so why do they not apply to other countries? Why can an employee in Brazil be sent off with one month's wages and, if (s)he is lucky, payment of the health plan for another three months? Why can employees in Mexico lose their jobs overnight and be hired again by the same company with a different name the next day, and be paid lower wages? Why are migrant workers in China hired inflexibly when it is unclear whether these people can actually survive on their wages? In other words, why, in this age of globalisation, can social rights and social responsibilities not be globalised as well?

The answer that companies often give us is: because of national legislation and local customs. We think this is too simple an explanation. In our view, the social responsibility of companies extends beyond painting the walls of a local hospital or funding the local soccer team. Many multinationals, at least their head offices, understand that much, but the fact that social responsibility also means that companies can do more than what is demanded by local

legislation is not yet understood. Companies should engage in meaningful discussion and negotiation with trade unions. Trade unions are a vital part of the democratic structure of countries and societies, and if companies are serious about working together to achieve the Millennium Development Goals they should also engage with the trade unions.

Unilever, for example, is currently going through a worldwide process of restructuring. The commitment to society the company shows in its partnership with the World Food Programme cannot be found when it comes to the way in which it deals with its employees. People all over the world were told they would lose their jobs and nowhere did the company engage with the representatives of these employees – the trade unions. It made strikes necessary to make them do so. As Jeffrey Sachs says in his book (Sachs, 2006), multinationals often go well beyond their market demands to maximise shareholder wealth subject to the market rules of the game and instead expend substantial efforts – often under the table – to make up the rules of the game themselves. Economic reasoning justifies market-based behaviour by companies if the rules of the game are sound. There is nothing according to economic reasoning to justify letting the companies themselves set the rules of the game through lobbying, campaign financing and dominance of their policies.

An action and research agenda

So, what should companies do? Let companies go beyond the legislative demands by ensuring decent wages and showing responsibility for their workers and their families, even after a restructuring process or after relocating to another country. Companies should take real responsibility, respect trade union rights, promote trade union activity, and engage with trade unions representing employees and the civil organisations that represent the communities where the company is based. Companies should invest in their employees and in the community. Not just with the benefits to the company in mind, but also with their responsibility to the community. Stop window dressing. To quote Sachs again – the end to poverty must start in the villages, in the communities themselves. A global network of connections is needed to reach those communities and to connect them to the centres of power and wealth, and back again. We, the trade unions, are committed to helping to make these connections.

What should the research agenda for a business school on the issue of poverty and business be for the next five years? I would like everyone – researchers, companies and trade unions – to move away from looking at the social responsibility of companies as an add-on value, like an extra curricula activity that students can earn extra points for. It is not an add-on value, it should be an integral part of a company's philosophy and business strategy; companies should not receive extra points for doing this. Companies should not be praised for taking responsibility; companies that do not take responsibility should be the odd ones out. In line with Sachs's comment I quoted earlier – when it comes to really combating poverty and achieving the Millennium Development Goals I would like us to stop thinking about companies, communities and trade unions as opposing entities. The only way to achieve the Millennium Development Goals is by joining forces. Dialogue is the only way forward. We cannot do well for the poor unless we involve the poor on an equal basis. There are a number of issues that would need to be researched. I am glad to see that the Rotterdam School of Management is already undertaking research in many areas that we, as trade unions, are interested in, such as corporate integrity and accountability, transparency in

stakeholders' relationships. Based on my contribution I would like to encourage students to look into the trends of outsourcing and flexibilisation, and to try to see what the consequences are of this trend for workers and their communities, both in developed and developing countries.