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Internationale des Services Publics  
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Internationell Facklig Organisation för Offentliga Tjänster  
國際公務勞連

# ILC 2013

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## Dear Colleagues!

Welcome to the International Labour Conference (ILC) in Geneva. I am truly delighted to be able to greet so many PSI delegates at this important event. PSI demands a renewed commitment of governments towards meaningful social dialogue in the public sector and full recognition of the essential role that the public sector plays in social and economic recovery. PSI and our affiliates will generate impact through our joint work in the committees, meetings with governments and events inside and outside the conference.

### **Collective Bargaining in the public service**

For the first time in more than 30 years, collective bargaining in the public sector has been reviewed by the ILO. The ILO Survey on the Collective Bargaining in the public sector will be presented on 6 June. On 7 June the Committee on the Application of Standards will adopt the outcome of the discussion. The Officers of the CAS will report to the Committee on the recurrent discussion on social dialogue on 8 June. PSI delegates will take the floor during these discussions to make sure that our voice is heard.

### **Committee on Application of Standards**

The list of 25 countries to be discussed will be finalized by 5 or 6 June. We are confident that the majority of PSI priority cases will be included in this list. For each country a working group will be set up and PSI will coordinate with its affiliates and the Workers' Group.

### **Sustainable Development, Decent Work and Green Jobs**

The right for water and the fight against its privatization is one of PSI's biggest battles. All too often, green jobs are supposed to be created in so-called public-private partnerships models that typically benefit private interests with public funding. PSI will stand up for sustainable development that goes hand in hand with public management of our natural resources.

### **The Route of Shame – 12 June, 18:30–20:30**

PSI invites you to join the "Route of Shame", a bicycle ride to protest in front of the Permanent Missions in Geneva of countries that violate trade union and labour rights. We will pass by the missions of Russia, South Korea, Canada, Nigeria, Iran, Paraguay, Pakistan, Ethiopia, Guatemala, Honduras, Cameroon, Botswana, Bangladesh, Dominican Republic, Turkey, Mauritania and Greece. Through this action we show solidarity and honour the millions of workers around the world who struggle for the protection of their rights. *Bicycles will be provided for ILC delegates.*

### **Public Finance Control and Anti-Corruption Strategies forum 13 June, 13:00–14:30, Palais des Nations, Room XII**

Ending corruption requires public and political organising to demand that political leaders represent public interests, not the interests of rich individuals and powerful companies, and to hold them accountable. Public Services International union leaders will speak about their respective struggles to combat corruption and advance quality public services for the common good.

Our team and myself look forward to work closely with all of you!

*In solidarity,*

**Rosa Pavanelli**  
General Secretary

## **“COLLECTIVE BARGAINING IN THE PUBLIC SERVICE: A WAY FORWARD” - PSI Comments on the ILO Report**

### **I. Introduction**

PSI welcomes the report and the excellent work done by the Committee of Experts, considering that this is the first time that collective bargaining in the public service is being addressed in a General Survey. Trade union rights remain the top priority for public sector unions around the world. This is certainly a timely report that exposes many of the challenges that trade unions face in the public sector.

In 2013, we are experiencing the persistence and worsening of a major crisis of the social and economic model on a global scale. Changes are occurring in a very dynamic and often dramatic way. While in some BRIC countries large groups of the population are improving their lives, the Western world is living the biggest social crisis since the Great Depression, but both are faced with aggressive policies that attack trade unions and workers. All over the world, the gap between the richest and the poorest is widening.

We note a concerted attack on the public sector on a global scale, through austerity measures and privatization weakening trade unions and workers' rights. In fact, while in most of the emerging economies PSI affiliates still have to fight to obtain full recognition of union and workers' rights, in other countries the austerity policies producing cuts in public spending are forcing PSI members into defensive battles against the rise of unemployment, privatization of public services and reduction of welfare provisions (from pensions to health and social services) and wage cuts.

Whereas until recently most European Union countries could boast of best practices on social dialogue and collective bargaining, this trend is now changing rapidly. Governments use the arguments of international financial institutions to dismantle labour relations where it hurts most for future generations: in the public sector.

What happens in the European Union, will affect the future of public service workers all over the world. We must be aware that dismantling the

European social model, with a central role played by public sector trade unions, will be a defeat of the global trade union movement, and will weaken union capacity to fight for labour rights all over the globe. Therefore, the protection of the public sector is a common cause.

Instead of using collective bargaining as a means of achieving greater efficiency and better management of the enterprise or public institutions, top-down decisions are pushed through that leave no space for negotiation. Unions in the public sector could have been prepared to accept adjustments in conditions when the public employer demonstrates severe straits; this reflects a mutual commitment to share economic responsibility and to address political reality and build cooperation for the future. Instead we have to point to the practices of the IMF, World Bank and the European Central Bank that impose their conditions for the approval of loans to countries. Cancelling collective agreements is common practice in such cases.

The types of measures adopted by countries include, inter alia: wage freezes or cuts for public servants (25 per cent in some cases and more than 20 per cent in others); reduction in public employment by as much as 15 or 20 per cent, sometimes through redundancies linked to the dissolution of many semi-public enterprises, public bodies and agencies, or through non-replacement of retired public servants; pushing back the retirement age; and freezing or cutting pensions and benefits in the event of redundancy.

More importantly, these cuts have a much wider impact on living standards and the potential of employment of future and current generations, for example by cutting child care for working women. Moreover, privatization and corruption go hand in hand. When services become too expensive for people, they find other ways to procure them. Indeed, the report notes that collective bargaining can assist effectively in the fight against corruption and in the promotion of equality.

In countries such as Spain, Greece and Portugal, but also in the United Kingdom, large numbers

of public sector workers are made redundant. Intensive lobbying for the privatization of water and energy will lead to more jobs being cut and a deterioration of services provided to the public. At the same time, a recent Global survey by the United Nations (Myworld2015) indicates that the priorities of people worldwide are a good education, better healthcare, an honest and responsive government, and better job opportunities.

It is also essential to be prepared to undertake intensive tripartite social dialogue so that exceptional measures which must be only temporary are not consolidated and to review the adjustments made during the crisis, once the economic situation improves. The danger that we are now being faced with is that anti-social decisions are being pushed through opportunistically beyond the scope of anti-crisis measures. The Committee's recommendations, directed at EU, IMF and World Bank, concerning the need for effective consultations with workers' organisations and the need to fully take into account the obligations of States concerning ILO Conventions, are particularly important in this context.

## **II. Collective bargaining in the public service**

At the 102nd International Labour Conference (ILC), the report "Collective bargaining in the public service: a way forward", which has been prepared under articles 19, 22 and 35 of the ILO Constitution will be discussed. It is the first General Survey to be conducted on the Labour Relations (Public Service) Convention, 1978 (No. 151), the Collective Bargaining Convention, 1981 (No. 154), the Labour Relations (Public Service) Recommendation, 1978 (No. 159), and the Collective Bargaining Recommendation, 1981 (No. 163).

The report thoroughly documents the numerous attempts by governments to water down the provisions of the conventions and recommendations that provide a framework for collective bargaining in the public sector and presents a highly informative analysis of all essential aspects of this process. The context of the economic crisis and others processes is also very well presented.

The report rightly notes that the transposition of fundamental trade union principles and rights set forth in the ILO Constitution of 1919 and the Declaration of Philadelphia into the aforementioned international labour Conventions has been no easy task and has taken a considerable time. Today, these principles remain as relevant as they were a century ago, both for the private and public sector.

The report provides a clear analysis of the advantages of collective bargaining in the public sector, recalling that public service must be effective and efficient to ensure the exercise of rights and improve citizens quality of life by guaranteeing public safety, education, health, social security, culture, access to housing, law enforcement in the numerous areas of competence of the public service, as well as being a vital factor in sustainable economic and social development, the well-being of workers based on fair conditions of employment, and the progress of sustainable enterprises.

This objective requires the provision of high-quality services by public institutions – which are often highly complex – as well as sufficiently qualified and motivated staff and a dynamic and politically neutral public management with administrative ethos and deontology, which combat administrative corruption, make use of new technologies and are founded on the principles of confidentiality, responsibility, reliability, transparent management and non-discrimination, both in access to employment and in the provision of benefits and services to the public.

PSI underlines that the right to strike is directly linked to freedom of association. All too often, this right is denied to public sector workers, due to broad definitions of so-called essential services. Governments that willingly thwart negotiations should be held accountable. The Committee emphasizes that the demarcation line between consultation and negotiation is not always clear and that consultation in good faith may result in a more satisfactory outcome than purely formal collective bargaining with no genuine desire to achieve results. It is therefore the spirit in which the parties act that is decisive. The report indicates clearly that in systems that have opted for consultation and where the right to strike is recognized, consultation processes may result in genuine negotiations when trade unions are sufficiently strong since, once a

strike breaks out, the dispute has to be resolved. This is a clear indication of the need to extend the right to strike to all workers in the public sector.

Governments have often tried to be “creative” in their interpretation of these standards, by expanding the notion of essential services and others that reduce the impact of collective bargaining or the right to organize, besides committing outright violations of human rights and fundamental workers’ rights. Unions around the world have made use of the supervisory mechanisms of the ILO to fight such violations, protect workers and build a stronger union movement, including in the public sector. In these turbulent times, it is important to remember that lasting peace can only be based on social justice, which is why we need to maintain these institutions and make sure that their authority is not eroded. PSI calls on governments to implement the recommendations of ILO’s supervisory bodies, in cooperation with social partners.

Conventions 151 and 154, whether in unitary or federal States, apply in particular to civil servants engaged in the public administration, such as public servants in ministries and other similar government bodies, as well as their auxiliary staff and all other persons employed by the government. They also apply to all public servants and employees of local authorities and their public bodies. The scope of application of Conventions 151 and 154 also includes employees of public enterprises, municipal employees, employees of decentralized institutions and public sector teachers, whether or not they are considered under the national legislation as being in the category of public servants.

Furthermore, Convention 154 applies, without exception, to all private sector workers. However, recognition in law of the right of public servants to collective bargaining continues to be limited or non-existent in some countries. The right to collective bargaining should cover, as well as employees in the public administration, including but not limited to the following categories of workers: prison staff; fire fighters; seafarers; self-employed and temporary workers; contract or outsourced workers; apprentices, non-resident and part-time workers; port workers; workers in the agricultural sector; workers in charitable and religious organizations; domestic workers, workers

in export processing zones and migrant workers, and teaching personnel in educational institutions, as well as those performing technical, managerial and support functions in the education sector.

The report could have dealt with the inclusion of migrant workers’ rights in the public sector in more detail. In many countries, skilled health and social care workers feel they must leave their families behind and work abroad to earn a decent income. They are exploited and discriminated against and their departure weakens health and social services in their home communities. PSI works with unions worldwide to protect migrant workers and make sure that they are not exploited. The public service should lead by example in terms of integration and anti-discrimination policies.

Fighting precarious employment contracts in the public sector is now a priority. Unfortunately, substantial categories of public employees are denied the rights and advantages laid down in these Conventions, or are subject to restrictions of varying degrees of severity. We also see that in many public administrations a significant number, or even the majority, of employees are either under private labour law contracts or excluded from previous statutory regimes. Outsourcing, short term contracts and consultancy contracts are now more and more present in the public sector, breaking the mould of an independent public service that aims to deliver quality public services for inclusive societies.

Although in principle the restrictions that apply to public sector workers do not apply to those hired under private sector law provisions, very often these are temporary labour contracts which create even bigger hurdles for trade union development and collective bargaining. There is also a concern for the protection of trade union representatives with short-terms contracts. As a result there is an urgent need to look at ways to strengthen collective bargaining and freedom of association in the public sector.

Recognition remains a problem for several of our affiliates, due to the unjustified refusal to recognize them as a representative union, or imposing an unreasonably high percentage of density for the recognition of a collective bargaining agent. In a majority of cases, there is no access to an independent body that could provide

arbitration or facilitate a dialogue between the parties. For example in South Korea, the KGEU (Korean Government Employees Union) remains unrecognized.

When discussing the application of the conventions and recommendations, we have to note that the report can share a range of good practices. It is encouraging that the report identifies a global increase in bipartite consultation and collective bargaining in the public sector, most particularly in Europe, Oceania and Latin America. The report provides an extensive review of protection against acts of anti-union discrimination among which the burden of proof and the practise to reverse it in case of presumed anti-union discrimination. Such good practices are very much appreciated and we hope that governments will adopt them widely.

However, too many governments either fail to adopt legislation, put it into practice, provide monitoring and adequate grievance mechanisms or go beyond all human rights principles to prevent trade unions from protecting workers' rights by intimidating, exerting pressure, jailing and even killing trade union leaders and members.

Legislation generally provides for protection against acts of interference and anti-union discrimination, as well as facilities for workers' representatives and bilateral collective bargaining mechanisms – although some legal gaps remain in certain countries – many trade unions report difficulties in having such provisions applied in practice. Applicable sanctions are all too often insufficiently dissuasive, and threats, transfers or dismissals of trade union officials are common.

As regards the facilities afforded to workers' representatives, the main problems are inadequate legislation on time off for trade union officials, and difficulty of obtaining such leave, which is often refused without valid reason and unilaterally reduced by the employer despite the collective agreements in place; difficulty of access to the workplace; difficulty of obtaining the deduction of trade union dues by the employer and numerous obstacles to access to financial information of public institutions or government bodies.

In some countries, there does not appear to be a formal mechanism for collective bargaining in the public service. In others, the content of

bargaining is considerably limited, with the Government exercising its prerogative to regulate many matters unilaterally, including wages in many cases. When collective bargaining does take place and agreements are reached, trade unions face difficulties in obtaining recognition of their binding force and securing their application. In some countries, the authorities have ruled out collective bargaining with representative organizations on grounds of delays in renewing the executive committees of those organizations – such delays being the result of interference by state bodies in the elections.

The absence or poor functioning of dispute settlement procedures is another important issue. Sometimes restricted access or the time needed to receive judgment is an effective denial of justice. At the international level, some of our affiliates demand a substantial increase in the capacity of the ILO's Administrative Tribunal, so that it can continue to provide justice within a reasonable timeframe.

Unions often have little confidence in dispute settlement mechanisms, as they are not impartial given the fact that they are often set up or managed by public institutions. A lack of remedies, i.e. the lack of judicial review, runs against the basic guarantees of a fair procedure and is often not foreseen. In any case, PSI strongly encourages its affiliates to use all legal resources available.

Moreover, some governments flout the principle of trade union representativeness for purposes of collective bargaining, giving preference to organizations close to the government. We have to point out that this is also reflected in the composition of some tripartite delegations to the ILC, where this report will be presented.

The report notes that the examination of the substance of the many allegations of violations of trade union rights submitted to the Committee on Freedom of Association since its inception in November 1951 shows that the restriction of civil and political freedoms is one of the major causes of freedom of association violations. All such acts of violence and violations also affect public employees.

Building democracy and social justice is one of the priorities of our affiliates in countries where union rights are attacked, or where the changes of regime

foster the hope of democratic reforms and peoples' participation, such as in large parts of the MENA region. Civil and political rights are undeniably interlinked with trade union rights and no social justice can prevail without democracy which is what our members in Algeria and Egypt demand.

In a number of countries, governments persist in interfering in trade union activities by arresting trade union leaders and members, such as in Turkey, using the pretext of criminal activities and locking up more than one hundred trade unionists at a time, for undefined pre-trial periods. This is utterly unacceptable and a major violation of human rights. Even worse, we have to recall the violent repressions of unions in other countries, such as Guatemala and Columbia, where murders of trade unionists are occurring on a monthly basis and remain unpunished. The impunity of such aggression must stop. Independent judicial investigations should be carried out without delay with a view to establishing the facts and violations and determining responsibilities, punishing the perpetrators and instigators and preventing the recurrence of such acts.

### **III. The way forward**

PSI requests to broaden the scope of ILO programmes to promote collective bargaining in the public sector, so that the many challenges can be addressed by targeted action, including in Decent Work Country Programmes that address monitoring and dispute resolution mechanisms. We call on the ILO to address the impact of precarious work in the public sector as a matter of priority. PSI also requests to review all the conventions that serve to define essential services. Furthermore we request more attention for public sector issues in all of the sectors of the ILO.

The role of public services in terms of monitoring labour conditions in all sectors of the economy is also pivotal. Labour administration, labour inspection and all other control bodies need to be strengthened to that effect.

Equality issues could have been covered in a more extensive manner in this review. Collective agreements in the public sector should and often do address equal pay issues, based on a public gender policy that aims to promote equality across the board. Similarly, LGBT workers' rights should

be included in public sector agreements. Not only as an employer, but also as a service provider, the public sector should be exemplary.

We also have to draw attention to the importance of creating opportunities for young workers. Around the world, youth employment is soaring. Part of the solution to this crisis is surely generating more employment for young people in the public sector, as well as an enabling environment for their skills development. We request the ILO to work closely with PSI on migration issues, since the public sector plays a leading role in anti-discrimination policies as well as assisting migrant workers in their integration in the labour market. The equality dimension of collective bargaining in the public sector thus requires more attention in future ILO work.

Public Services International joins the Committee in making a strong appeal for the ratification of Conventions 151 and 154 which constitute together with Conventions 87 and 98 crucial instruments for the governance of democratic societies regardless of their level of development, for a greater efficiency and effectiveness of the public service and for the purpose of overcoming discrimination in many countries between the private and public sectors as regards the recognition and promotion of collective bargaining. We also insist that countries that have ratified the conventions review how social dialogue in the public services is implemented, with the objective of strengthening their institutions and mechanisms. ■

*For more information please contact PSI Equality and Rights Officer Sandra Vermuyten, [sandra.vermuyten@world-psi.org](mailto:sandra.vermuyten@world-psi.org)*

## PUBLIC SERVICES INTERNATIONAL ON THE GREEN ECONOMY

**O**ne definition of the Green Economy is: “An economy that results in improved human well-being and reduced inequalities over the long term, while not exposing future generations to significant environmental risks and ecological scarcity.”

It is a *different* concept than Green Growth, which “emphasizes environmentally sustainable economic progress to foster low-carbon, socially inclusive development.”

The green economy is one which seeks to strengthen the environmental and social pillars of sustainability (the other pillar is economic). The question is being asked is whether this is even feasible in an economic system which encourages over-consumption and accumulation.

For the public sector, there are many implications of the move towards green economy policies and programmes.

### **Public procurement**

The first issue to keep in mind is that public procurement is a huge driver of the economy. It is estimated that at least 60% of all public procurement is directed to the private sector, for goods and services which are delivered to the various levels of government. Thus, public procurement policies and practices can have a leading effect on building green economies. In fact, one can argue that public procurement must be steered green, in order to bring along the private sector, which may not be willing or able to assume some of the risks of a transition to a green economy.

One can assume that market actors will only move to green activities if they can ensure profits. So far, many of these profits have been provided by the public sector, in the form of tax breaks or investment incentives to private corporations. This is notably the case of the ‘feed-in tariff’ policies which allow producers of renewable energy to be guaranteed advantageous prices for selling their energy into the grid.

### **Green economy practices have different implications for different sectors**

We can see immediate, direct implications in the production, transmission and distribution of electricity. This is also the case for public transport, as well as for commercial and personal transport. The case is also being made in the area of urban planning, the design of cities in common living spaces. Less evident, perhaps by the implications for health and social services, education, justice and security.

Regardless of the sectors involved, there are a number concerns raised by the labour movement which impact directly on the rights and interests of workers. The phase-out of nuclear or coal-fired energy, for example, has direct implications for the many thousands of workers in those industries. The same applies for workers in many other industries which need to change drastically, or even be eliminated.

Trade unions have been working on this issue for a number of years, recognising that the shift to a low-carbon economy will have direct implications. The ITUC has elaborated a concept of Just Transition, which implies that workers and trade unions in these industries be involved in the discussions and negotiations from an early stage.

However, it is not only at the workplace that such negotiations need to take place. Many agencies of the UN are directly involved in policy formulation and programme implementation which will affect workers and trade unions. Yet, relatively few of these agencies are actively seeking the input of the trade unions.

As well, the shift to a green economy must integrate the ongoing priority of poverty alleviation. One can say that it is very hard to give priority to the long-term needs of the planet when one must struggle each day to feed and house one’s family. ■

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## **CORRUPTION AND PUBLIC SERVICES**

**By David Hall, PSIRU**

### **Executive summary**

Corruption is a poison that destroys people's faith in public institutions, governments, and democracy itself. True democracy requires respect, and fair and equal standing for every citizen. This is impossible to achieve when people have to pay bribes to obtain health care, fair policing or clean water. Even worse, the payment of bribes to obtain contracts perverts public policy decisions, diverting public monies to the corrupt.

Petty corruption occurs when people are expected to pay bribes in order to get the service they are entitled to from a public employee. The employee is misusing his or her position to obtain extra income, at the expense of citizens and the service itself. Typical examples are the payment of bribes to water workers to record false meter readings; to health workers for providing treatment at an earlier date; or to customs officials to allow goods to be smuggled without paying duties.

In many states, people have anything but good experiences with the authorities when it comes to securing their and their families' basic needs. In these countries people are often forced to give and receive assistance from relatives, friends, or members of their community. Without good governance, without functioning, transparent public services equally accessible to all, giving gifts or money is often the only way people can obtain health care, building permits, court decisions and so on.

Petty corruption seriously damages public services. Citizens are cheated. It breaks the principle of fair and equal treatment. It undermines the integrity of public servants. What should be a public service is converted into another commercial transaction. It also weakens public resolve to tackle large-scale corruption. It must be eradicated.

There is strong evidence that the most important factor affecting the extent of petty corruption is the pay of the workers concerned. When pay is too low to provide the necessities of life, or where it is significantly lower than the pay of other people with

similar qualifications, then corruption is used as a way of making extra money. Studies in countries as diverse as Madagascar and Ukraine show that inadequate civil service pay is linked to petty corruption. In a number of Asian countries, water meter readers demanded bribes when their pay was below subsistence levels, but not after their pay was increased substantially. This has been known for a long time – customs officials in 18th century England were accepting bribes from smugglers because they were paid so little.

Grand corruption – large scale fraud by politicians and companies – is an even more serious problem. It perverts the state itself.

The concept of 'state capture' was introduced by two World Bank researchers to describe the situation in some of the former communist countries of Eastern Europe. They found that firms were deliberately setting up networks to influence government officials and politicians to change laws and regulations in their favour, and partly accomplished this through corrupt payments.

One example of this kind of network developed in Italy in the 1990s. Politicians from various parties, on the one hand, and groups of companies on the other hand, agreed to allow the companies to share out the contracts amongst themselves, and decide on the prices. The companies agreed to pay enough money to keep the politicians happy, and for the money to be shared amongst all the parties involved. Middlemen were brought in to launder the money and keep the payments secret. The whole system was a way of gaining and sharing power and money, at the expense of democracy, transparency and public accountability.

These networks use illegal payments (bribes), but also build 'networks of influence' through legal payments – donations to political parties, or employing lobbyists to convince politicians to adopt certain policy positions.

For the companies, it is a rewarding business strategy. It involves efforts on the part of private interests to rent access and influence within well-

institutionalized policy processes, often through political figures acting as middlemen. In developing countries, firms which spend money on lobbying get a bigger boost to their profits than firms which simply pay bribes. In the USA, companies with political connections get more contracts after an election in which they backed the winner. In the UK and USA, banks have spent tens of millions on lobbying to prevent tighter regulation.

Privatisation provides great incentives and opportunities for corruption and state capture. The sale of state-owned industries is a one-time opportunity to buy a profitable business, so investors have an incentive to pay bribes to increase their chances of getting it, and for a lower price.

A long-term concession for water services, or a power purchase agreement for a private power station, or a PPP, is also a one-off chance to win a stream of government-backed revenue lasting 25 or 30 years, creating the same incentives to pay bribes.

In all forms of outsourcing, whether it is refuse collection, construction, cleaning or medical services, contractors may pay bribes or form cartels or both in order to win profitable business.

Bribes or political donations form the currency with which these benefits are obtained, as summarised by the Nobel-prize winning economist Paul Krugman (talking about the USA): “As more and more government functions get privatized, states become pay-to-play paradises, in which both political contributions and contracts for friends and relatives become a quid pro quo for getting government business... a corrupt nexus of privatization and patronage that is undermining government across much of our nation.”

The effects of corruption and influence peddling reach far and wide, affecting public decisions and services in local communities and internationally. The influence of the pharmaceutical companies on political processes is visible at global and national levels. This has a direct impact on health services. The effect is to divert large sums from public budgets for healthcare, and to undermine democratic policy-making.

Privatisation by outsourcing has become widespread in central government, and in the process increased the problem of

corruption. The size of many central government contracts, especially in defence procurement and construction, creates greater incentives for companies to operate corruptly in order to get business. There is extensive corruption associated with USA contractors in Iraq in relation to security contracts funded by the USA federal government.

Local government is also vulnerable to corruption by multinational companies. The largest USA retail multinational Wal-Mart is subject to a number of court cases and investigations over corruption of local government planning officials in Mexico. According to the New York Times: “Wal-Mart de Mexico had orchestrated a campaign of bribery to win market dominance. In its rush to build stores the company had paid bribes to obtain permits in virtually every corner of the country.”

International institutions have failed to seriously tackle corruption and its effects on ordinary people. By promoting privatisation, they are actively creating more opportunities for corruption to take hold.

This paper recommends a different, more comprehensive approach to eliminate corruption, prevent state capture, and ensure that public services are available to all citizens.

## **Conclusions and summary of recommendations**

### **Defending public services against corruption and capture**

This analysis of corruption finds different conclusions from the official international bodies. Instead of being concerned with creating a low cost 'level playing field' for international business, the focus should be on creating quality public services and preventing public policy from capture by commercial interests.

Fragmenting, minimising and under-funding the public sector is part of the problem of corruption in service delivery. The solution involves recognition of the value of civil and public services and the workers who provide these vital services.

The 'culture of corruption' which is so prominent in the minds of international businesspeople is angrily rejected by the majority of public opinion everywhere. It is privatisation, and the uncritical support for it by donors and development banks, which systematically creates unnecessary opportunities and incentives for corruption and policy capture. In addition, the commercial capture of the state through 'legal' corruption via political donations, influence trading, lobbying and infiltration of public institutions, undermines the power of democratic decision-making. It corrupts public policy decisions and public resource allocation.

Exposing corruption requires extra powers and autonomy for public audit bodies, strong freedom of information legislation to empower civil society organisations, and concerted campaigns for democratic financial decision-making, transparency and accountability. Relying on individual whistle-blowers or an improved gender balance, or self-regulation by the corporate sector or its private accountancy firms are not viable solutions on their own.

National courts should be able to apply powerful legal sanctions – including imprisonment and debarring from tendering – against corrupt elites and local and multinational companies alike, rather than simply excluding northern companies from the rule of law in countries where they operate,

permitting companies to buy off prosecutions by making donations, or suppressing information of value to the public interest by confidential court settlements. International bodies and donors should support these powers by closing down the tax havens that protect the corrupt and the public monies they have stolen.

Finally, technical solutions are not the full answer. The effectiveness of combined actions against corruption depends on strengthening democratic and community organisations within every country, and developing strong links between unions and allies who support strong public services.

### **Recommendations**

#### ***Public service workers and political integrity:***

- All public service workers should be paid a decent living wage sufficient to remove incentive for corrupt exploitation of their position.
- Appointment, career progression, discipline or dismissal of civil and public service workers should be immune from political decisions,
- All public employees should be subject to a disciplinary code which includes strong sanctions against corrupt practices.

#### ***Commercial capture of public interests:***

- Public policy-making should not be outsourced to consultants. Private consultants or business interests should not be appointed to bodies responsible for public policy decisions or assigning public contracts, such as PPP units.

#### ***Privatisation, outsourcing and procurement:***

- International banks and donors should not require any form of privatisation as a condition of aid or loans.
- Procurement processes for goods or services should be completely public and transparent.
- A company should be banned from tendering for any public contract if it, or its parent or subsidiaries or associates, has been convicted of corruption in any country, or uses tax havens.

#### ***Public audit and freedom of information:***

- Public audit bodies and their staff should have strong protection from political or commercial interference.
- Public audit bodies should have strong powers to require disclosure.
- Public audit bodies should be enabled and

required to publish and publicise their findings and encourage public responses.

- Freedom of information legislation should require disclosure to all citizens of all categories of information about public finances, including civil service salaries and the terms of all contracts.

***Legal sanctions:***

- National courts should have power to sanction any multinationals operating in the country.
- Sanctions for corruption should include long-term barring from contracts of companies and any parents, subsidiaries, associates or successors, for long periods of time.
- The use by nationals or companies of tax havens should be banned, and/or any company which is part of a group that uses such tax havens should be excluded from future tendering.
- All corruptly-gained monies should be recovered and returned to the public treasury.

***Democracy and community:***

- Open interaction between public service workers and communities and civil society organisations should be encouraged and promoted.
- Increased public participation should be systematically developed to promote gender equity and financial accountability in public service budgeting and policy decisions.

***Some of these strategies can be pursued at the international level, including:***

- Demanding that the World Bank, IMF and other development banks and donors drop all privatisation conditions.
- Supporting international initiatives e.g. member states of the OECD to facilitate prosecution of multinational companies for corruption offences, including prosecutions in home countries such as USA or Netherlands.
- Working with campaigns such as those led by ATTAC and the Tax Justice Network to close down tax havens.
- Joining with national and international campaigns to implement strong whistle-blower protection legislation. ■

*The global trade union federation Public Services International (PSI) commissioned this report from the Public Services International Research Unit (PSIRU) at Greenwich University. For the full version of this report, see [www.world-psi.org](http://www.world-psi.org) or contact [communications@world-psi.org](mailto:communications@world-psi.org).*



[1]



[2]



[3]



[4]



[5]



[6]

- [1] İsmet Aslan, Turkey
- [2] Turkey
- [3] Botswana
- [4] Nassira Ghozlane, Algeria
- [5] Korea
- [6] Guatemala

# media release... communiqué de presse... comunicado de prensa...

*For immediate release – 3 June 2013*

## **Ride for workers' rights and social justice follows 'Route of Shame'**

*[Geneva, Switzerland]* Led by members of the global union federation Public Services International (PSI), trade union leaders from around the world will join in a 'Route of Shame' bicycle ride Wednesday 12 June and visit missions and embassies in Geneva, Switzerland to draw attention to countries which consistently violate workers' rights.

The 'Route of Shame' takes place during the 102nd International Labour Conference (ILC) in Geneva. A major focus of the annual ILC is to determine whether countries are upholding their obligations to respect the rights of workers and their trade unions under International Labour Organization conventions.

Countries of specific concern for PSI members include Algeria, Egypt, South Korea, Guatemala, Botswana, Bangladesh, Columbia and Turkey. The ride will also highlight violations in Russia, Canada, Nigeria, Iran, Paraguay, Pakistan, Ethiopia, Honduras, Cameroon, Dominican Republic, Mauritania and Greece.

PSI General Secretary Rosa Pavanelli says, "A concerted attack on the public sector is taking place on a global scale, both in emerging economies where PSI affiliates struggle for full recognition of workers' rights, and in many other countries through austerity and privatisation measures that weaken trade unions and workers' rights. We demand social justice and the protection of workers' rights, instead of societies that violate human rights as a rule."

The 'Route of Shame' speakers will include trade union leaders from Algeria - where independent trade unions are violently suppressed by the government, and from Guatemala – where dozens of union members have been assassinated in recent years.

A number of other situations will also be highlighted. For example, in Egypt independent unions are being denied the right to strike or protest to silence their demands for a just society. Gross human rights violations are committed in Turkey where union members, including women and sometimes even their children, are locked up in isolation under false pretexts, and denied access to due legal process or medical treatment. In South Korea, democratic unions are denied recognition and workers are pushed into precarious employment.

Pavanelli says, "Too many governments prefer to act in the interest of the few, and that is why inequality is rising at an ever faster pace all over the world. We need investment in decent working and living conditions, supported by quality public services. We stand with the millions of workers who struggle for their rights and do not give in. International solidarity makes us stronger."

'Route of Shame' ride begins: Wednesday 12 June 18h30, Place des Nations, Geneva  
Ends: 20h30, Bains des Paquis

Websites: [www.world-psi.org](http://www.world-psi.org) and [www.facebook.com/TheRouteOfShame](http://www.facebook.com/TheRouteOfShame)

Photos for media use: [www.flickr.com/photos/psi\\_isk/sets/72157633809747319/](http://www.flickr.com/photos/psi_isk/sets/72157633809747319/)

**END**

**12 JUNE 2013, from 18:30 to 21:00**

**THE ROUTE OF SHAME, GENEVA**

**Bicycle ride promoting social justice and  
demanding workers' rights**

Public Services International (PSI) invites you to join us on the "Route of Shame", a bicycle ride to protest in front of the Permanent Missions in Geneva of those countries which violate trade union and labour rights.

We will pass by the missions of Russia, South Korea, Canada, Nigeria, Iran, Paraguay, Pakistan, Ethiopia, Guatemala, Honduras, Cameroun, Bangladesh, Dominican Republic, Mauretania and Greece. In these and many other countries, violations take place that range from refusing registration to trade unions, discrimination of trade union members, political repression, impunity of violent attacks and murders of activists, and deadly working conditions. Precarious jobs in the public sector and austerity measures continue to undermine trade union rights around the world.

Join us in calling for the universal protection of workers' rights and social justice!

In response to growing attacks against workers' rights around the world, PSI, an international trade union federation, invites local unions, international organizations, NGOs and the people of Geneva to participate in this original protest action organised during the International Labour Conference.

**STOPS at Missions of**

**RUSSIA, SOUTH KOREA,  
GUATEMALA, BANGLADESH  
and GREECE.**

**DEPARTURE**

**18:30, Place des Nations**

Possibility to pick up bicycles  
(Genève Roule)

**ARRIVAL**

**20:30, Bains des Paquis**

Drop off bicycles (Genève Roule)

**All info on: [www.world-psi.org](http://www.world-psi.org)  
facebook: The route of shame**

**12 JUNE 2013**

# The Route of Shame, Geneva

**Bicycle ride promoting social justice and demanding workers' rights**



**DEPARTURE**

**18:30, Place des Nations**  
Pick up bicycles (Genève roule)



Avenue de la Paix | RUSSIA

Rue de l'Ariana | SOUTH KOREA, CANADA

Chemin du Petit-Saconnex | NIGERIA, PARAGUAY

Rue de Moillebeau | PAKISTAN, ETHIOPIA

Avenue de France | GUATEMALA, HONDURAS, CAMEROON

Rue de Lausanne | BANGLADESH

Rue de l'Ancien-Port | MAURITANIA

Rue du Lemman | GREECE

**ARRIVAL**

**20:30, Bains des Paquis**  
Drop off bicycles (Genève roule)



Public Services International  
Internationale des Services Publics  
Internacional de Servicios Públicos  
Internationale der Öffentlichen Dienste  
Internationell Facklig Organisation för Offentliga Tjänster  
國際公務勞運

**ILC 2013**

[www.world-psi.org](http://www.world-psi.org)