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ITUC-AFRICA FORUM ON THE TRADE UNION RESPONSES TO THE GLOBAL FINANCIAL AND ECONOMIC CRISIS AND THE GLOBAL JOBS PACT

**International Trade Union Confederation -Africa,
Lomé, Togo, 18 – 20 October 2010**

CONCLUSIONS AND WAY FORWARD

CONCLUSIONS

We, trade union leaders, researchers and functionaries meeting at the ITUC-Africa Forum on the Global Financial and Economic Crisis and the Global Jobs Pact from 18 - 20 October 2010 at the ITUC-Africa Headquarters in Lome, Togo, have once again debated issues and reaffirmed the conclusions of the last Forum meeting that took place in September 2009.

We note that the global crisis, which started in 2007, continues to exact high tolls on the people of Africa. We recall again that the crisis, which began in the United States of America and other industrial countries, is rooted in the exploitative relations and the neo-liberal contradictions of the capitalist model that has been imposed on our countries over the past three decades. The crisis continues to aggravate various food, energy, climate and governance crises which were already plaguing Africa and, resulting in increasing inequalities, precariousness and poverty.

Even though there are signs of recovery in the export prices, Africa has still not recovered from the collapse in revenues, reserves and overall economic activities with attendant job losses and drastic cuts in social programmes. Thus Africa still faces the threat of another devastating round of debt crises.

We recognise that the responses to the crisis are still dominated by the powerful countries of the world, represented in G20, who are pursuing their interests, at the expense of Africa's development.

Furthermore, African governments have failed to focus on the systemic issues – at both the continental and global levels- which shape the crisis in Africa; nor have they paid any attention to the contradictions and internal economic fragmentations arising from the primary commodity export dependency of African economies.

We further note that the financial system and the global financial architecture which are at the heart of the global crisis are not being addressed. Instead of an overhaul of a financial system which allows speculators to gamble and make super profits without contributing to actual wealth creation, the powerful countries are busy fighting for the specific and contradictory interests of their individual countries, as reflected in the on-going currency wars. They have thus managed to exclude and further marginalised African economies, and in the process exacerbated the net outflow of resources from Africa.

The crisis and their implications have reaffirmed the long-standing positions of the labour movement with regard to on-going bilateral and multilateral trade negotiations, especially the Economic Partnership Agreement (EPA). By seeking to take away from Africa the policy space and resources needed to address the financial system and align it to development needs, the EPA, in particular, would create the grounds for further siphoning of wealth from Africa, and make it even more vulnerable to future crisis.

In the light of the above, urgent action needs to be taken in the following areas:

- In the short term, African Governments should take urgent action to reverse the effects of the crisis in Africa; this should include steps to implement their commitments to public investment driven economic stimulus, as contained in the Freetown Declaration of the African Finance Ministers of February 2009.
- At the same time, African Governments should initiate action aimed at the long term development of our economies. In this regard, there should be a change of paradigm. The neo-liberal model based on the dogma of deregulation and liberalisation of all markets and all sectors has failed. The economic policies of export led growth as has been practised in Africa over the past 30 years under neo-liberalism should be abandoned. Development strategies based on the needs and priorities of African peoples should be initiated and implemented.
- A democratic and accountable state based on the principles and ethics of development should be restored to play a central role in the implementation of development programmes in Africa. In this regard, African governments must ensure establishment of a good governance system in political, social and economic areas.
- The world knows huge climate changes that strongly threaten our natural environment; African governments must take effective measures to protect environment in African countries.

- Africa should develop its national economies by increasing its production capacity and adding value to its natural resources. In addition, it should rely on agriculture, manufacturing, the services sector and the intensification of inter-sectoral linkages in order to enhance industrial capacity. Lastly, national and regional markets should be expanded and strengthened through regional integration; and to this end African countries should develop national and regional strategies for agrarian transformation and industrialisation.
- Africa should develop a financial system that serves the productive sectors instead of encouraging speculation for profits; in this context African governments should reassert autonomy over fiscal and monetary policies by redefining the mandate of Central banks and strengthening their capacity to deliver on the mandate.
- Foreign Direct Investment must enter Africa to the extent that it contributes to the development of Africa's productive capacity in strategic areas; in this regards we call on African governments to review and revise the regulatory framework in relation to Foreign Direct Investments (FDI) that have been put in place over the last 30 years, to ensure that they are compatible with the development objectives of African economies.
- African governments should take steps to improve their internal political coordination and use their material and human resources, as a collective, to leverage their recognition, interests and bargaining positions in inter-governmental discussions. Such discussions, be they at the level of the Breton Woods institutions, WTO, G20, the United Nations system, and so on, should seek to construct and establish a new global architecture based on democratic principles and involving the participation of all regions of the world.
- It is important to take new measures at the international level to address the recurrent problem of basic commodity price fluctuations.
- The EPAs negotiations should be suspended, while action is taken to pull Africa out of the crisis; and the Doha Round negotiations should be rebalanced to address the true developmental priorities of Africa;
- A moratorium on Africa's debt repayments and servicing and an international sovereign debt restructuring mechanism should be adopted;
- African governments should play an active role in the follow-up process of the United Nations Conference on the Global Financial and Economic Crisis and its impact on development in order for its outcomes to be implemented.
- The global jobs pact and decent work should be at the heart of economic restructuring and investment development in order to satisfy the basic needs of the peoples. To this end, we call upon the International Labour Organisation to support and assist African trade unions in promoting the Global Jobs Pact

- Gender equality and women empowerment is an important dimension to the mobilization and allocation of resources at the time of implementation strategies for decent work, trade unions must be involved in promoting strategies that integrate objectives relating to this subject.

THE WAY FORWARD: ROLE OF TRADE UNIONS IN AFRICA

- Trade Unions should build national, regional and global democratic, independent and united trade union organizations to ensure the well-being of all African workers and to build a world where everyone can fully develop their potentials in conditions of freedom, democracy, good governance, equality and social justice;
- Trade unions should revitalise their organisations and movement to serve as a countervailing force against the powerful bloc of multinational corporations, international financial institutions and industrialised country governments that seek to consolidate their domination over the world political and economic systems at the expense of Africa and the weak in other regions of world.
- Trade Unions should undertake concrete actions to build their capacity and improve their knowledge base and sources of information, sensitize workers and propose and campaign for an alternative to neo-liberalism. To this end, the capacity of the African labour researchers' network should be strengthened.
- Trade unions should demand to be consulted by governments on all aspects of their responses to the crisis.
- Trade Unions should actively involve themselves at the national, regional and global levels in the formulation, adoption and implementation of policies that lead to the creation of productive and decent jobs and the transformation of the informal economy;
- Trade Unions should work in a results-oriented manner for the implementation of the Global Jobs Pact, guided by the Road Map adopted in Ouagadougou December 2009 and the strategies that were formulated in Yaoundé in October 2010. In this regard due attention should be given to the Decent Work Country Programmes as a useful framework for leveraging development agenda setting through institutionalized tripartite arrangements.
- Trade Unions should build strategic alliances with other progressive forces to promote social justice.

Lome, 20th October 2010