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**BEFORE THE U.S. HOUSE COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON TERRORISM, NONPROLIFERATION AND TRADE**

&

**SUBCOMMITTEE ON INTERNATIONAL ORGANIZATIONS, HUMAN RIGHTS
AND OVERSIGHT**

**ON INTERNATIONAL WORKER RIGHTS, U.S. FOREIGN POLICY
AND THE INTERNATIONAL ECONOMY**

March 10, 2010

Chairman Sherman, Chairman Carnahan, members of the Subcommittees, I thank you for this opportunity to testify today on behalf of 11.5 million working men and women of the AFL-CIO in my capacity as Chair of the AFL-CIO Executive Council Committee on International Affairs. This subject of this hearing, promoting international worker rights, is one to which I have dedicated over fifty years of my life.

Chairmen, this hearing could not be timelier. It is indisputable that we remain mired in the middle of a global economic crisis – the worst in over eighty years. The human toll, of rising unemployment, poverty and inequality is truly staggering. The International Labor Organization (ILO) has reported that worldwide unemployment increased by roughly 34 million in 2009 (over 2007 levels), rising to roughly 212 million workers. This is the highest on record. The ILO also estimates that 100 million women and men fell into absolute poverty last year alone. Many of those fortunate enough to be employed are vulnerable, facing reduced hours, wages and benefits and a highly uncertain future.

Even before the recession, however, workers worldwide, and especially migrant workers, were in serious trouble.¹ The inability of workers to organize and bargain collectively,

¹ Workers in the readymade garment sector of Bangladesh are often paid less than the minimum wage and sometimes not paid at all. In Guatemala, the last three years have been particularly horrific, with death threats and assassinations (over 40 since 2007) of trade unionists returning as an anti-union tactic. In the UAE, migrant workers from South Asia have been subject to numerous workplace hazards and inhumane living conditions while constructing the skyscrapers of Dubai. In Swaziland, still governed by monarch, workers face serious restrictions on their basic labor rights and find little redress in Ministry of Labor or the courts.

due to labor flexibilization,² fierce and often illegal employer opposition and the lack of effective enforcement by governments, has led to perilously low union density in many parts of the world, as existing unions were busted and new unions were unable to form. The result has been the absence of workplace democracy accompanied by poorer working conditions and wages insufficient to support a decent livelihood. In the developed world, this meant more debt-financed consumption just to maintain the same standard of living held by the previous generation. In the developing world, workers had little purchasing power to meet basic needs and to save for the future – a low-road path that impedes national economic recovery and development and often leads to labor migration.

Massive employment creation now needs to be a macroeconomic policy priority at the national and global level. Millions of people around the world need jobs. In Pittsburgh, the G-20 Leaders took important steps in this direction, propounding a new framework for strong, sustainable and balanced growth that puts quality jobs at the center of the recovery. In this context, G20 Leaders further agreed to implement the key tenants of the ILO Global Jobs Pact,³ an outline for a fair global recovery that we endorse. However, these statements will not translate into national or international policy without strong leadership – particularly from the United States.

The AFL-CIO and the Global Unions have specific recommendations for rebalancing the global economy and creating millions of new jobs in the short and long term. I will not address them here, though they are referenced in this testimony.⁴ Integral to a balanced economic recovery, however, is the creation of not just any jobs but *quality* jobs. This will not be possible in the absence of full respect for fundamental labor rights. It is on this issue I will direct the balance of my comments.

First, we need to make certain that the key U.S. agencies charged with promoting international labor rights have the mandate, resources and personnel necessary to carry out their respective missions. Greater coordination is also essential so that the actions of the various departments reinforce the same overall policy.

1. Enhancing Labor Diplomacy

The U.S. government, through its embassies worldwide, has played an important role in promoting core labor rights, in building labor capacity abroad and, in some cases, facilitating resolution of labor disputes. However, the number of persons detailed exclusively to labor issues in U.S. embassies has declined substantially over the years,

² In Indonesia, for example, the unions have reported that the number of directly hired workers in manufacturing has dropped from 70 to 40 percent. These workers have been replaced with subcontracted workers who receive less pay, no benefits and who are by law unable to join the union. Similar trends are found all over the world.

³ See, ILO, Recovering from the crisis: A Global Jobs Pact, available online at www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_115076.pdf.

⁴ See, e.g., AFL-CIO Executive Council Statement, March 2, 2010, *A Call to Action on Jobs*, available online at www.aflcio.org/aboutus/thisistheaficio/ecouncil/ec03032010g.cfm.

impacting the U.S. government's ability to carry out its labor diplomacy role, or even to collect reliable information needed to inform policymakers in Washington. Labor issues are just one of many assignments for foreign service officers in several countries. This needs to change. The State Department, as it increases its Foreign Service Officer corps, must also substantially increase the number of its labor officers. It must also work to make the labor officer positions a more attractive career opportunity. The Department of State and Labor must work together in labor diplomacy programming, providing the expertise and training to make the labor officers' role as effective as possible. Many of these recommendations were proposed in the Report of the Advisory Committee on Labor Diplomacy to the Secretary of State and the President of the United States in September of 2000. These recommendations remain valid today.⁵

2. Strengthening the International Labor Affairs Bureau (ILAB)

The International Labor Affairs Bureau (ILAB) of the Department of Labor is the core entity in the government charged with the promotion of core labor rights, acceptable conditions of work, improved living standards and social protection in our bilateral, regional and international relationships. It does this through a range of critically important functions, including: a) investigating, researching and developing policy related to labor law and administration, labor markets and international trade; b) representing the U.S. government in the International Labor Organization and other international organizations; c) monitoring and enforcing the labor provisions of trade agreements and trade preference programs; and d) providing technical assistance and capacity building.

Effectively carrying out this broad mandate requires substantial resources and political support. For many years, however, ILAB was severely underfunded and politically constrained. In fact, the previous Secretary of Labor attempted to eliminate ILAB's funding. The funds it did have on hand in those years were largely directed away from programs promoting freedom of association and collective bargaining. Such programs are critically important, as they help workers to build lasting, democratic institutions that can directly advocate on behalf of its members, and workers generally, in the factories and the fields. More ILAB funding must be directed to support these programs.

Under its new leadership, ILAB is already making great strides in promoting labor rights around the globe. The funding situation at ILAB has also begun to improve. An increase of \$5 million in the FY 2010 budget has allowed ILAB to begin to hire desperately needed additional staff. However, much more will be needed if ILAB is to be able to carry out its mission successfully. The Obama Administration's FY 2011 budget proposes a welcome increase of \$22 million. We urge the Congress to ensure that ILAB receives at least this amount for FY2011.

3. Increasing the quantity and quality of capacity building funds

⁵ See, A World of Decent Work: Labor Diplomacy for the New Century, Report of the Advisory Committee on Labor Diplomacy to the Secretary of State and the President of the United States (2000).

The U.S. government has invested millions of foreign assistance dollars in labor capacity building programs over the years, with much of the funding tied to countries entering into trade agreements with the U.S. This funding is essential to show that our government seeks not only to hold foreign governments accountable to international labor rights standards but is willing to help them and key stakeholders build the capacity to comply. Continued and substantially increased investment in labor capacity building programs is important. However, we also need to make certain that funding is well spent – meaning that a sizeable portion of overall funding should be directed at programs that build sustainable worker-led institutions and strengthen the capacity of these organizations to defend fundamental democratic and worker rights.

Funding for the National Endowment for Democracy and for the worker development assistance programs at U.S. AID, the State Department and the Labor Department should be increased. Programs that strengthen the capacity of free, independent and authentic trade unions to represent working people in their countries vis-à-vis governments and employers should be given priority. In particular, we need programs that help trade unionists improve their skills as practitioners of and advocates for worker rights, rule-of-law, and democracy in their societies. These programs help to balance power relations within a society, creating the possibility that more people, organized and able to bargain, can enjoy a fair share, which can then be invested in the family and the community – raising standards for everyone. Such programs need to be implemented by organizations that have the demonstrated commitment to the subject matter and country expertise to carry out such programs effectively.

4. Foreign Assistance

While U.S. support for democracy and human rights is not confined to the development assistance area, any new development framework and accompanying legislation ought to include democracy and human and labor rights as an essential element to achieve U.S. development goals. As Secretary of State Hillary Rodham Clinton declared on December 14 at Georgetown University, “Human rights, democracy and development are not three separate goals with three separate agendas... To make a real and long term difference in people’s lives we have to tackle all three simultaneously.” As part of an overall U.S. development policy, adequate funds should be made available to develop and implement strategies to encourage and aid the establishment of national institutions and regional organizations supporting democratic governance and respect for human rights, including labor rights.

5. Improving Inter-Agency Coordination and Consistency of Policy

Interagency coordination is essential to ensure that international labor rights policy is effectively implemented. It is important that the actions of one agency taking action to address labor violations in a country are not weakened by another agency’s funding, financing, certification or validation of that country’s conduct. For example, several countries have been deemed eligible to receive Millennium Challenge Corporation compacts even though they are under review for widespread worker rights violations.

Niger and the Philippines are both MCC eligible despite ongoing GSP reviews of worker rights violations. Colombia has also been deemed MCC eligible despite widespread human and labor rights violations, including the murder of at least 39 trade unionists last year. The recent certification of Colombia by the State Department as having met human rights criteria for foreign assistance can undermine the work of other departments. Similarly, continued counter-drug funding to Mexico's military and police forces despite several highly credible reports of grave human rights abuses, including abuses committed against trade unionists, seems difficult to justify.

Second, our trade and investment policy tools need to be upgraded and consistently and effectively applied.

The Obama Administration, in its 2010 Trade Policy Agenda, reiterated the importance of worker rights in the achieving a balanced global economy that works for all.⁶ The Administration now has at its disposal a number of trade and investment tools that can be employed to create the political space for legal reforms and for workers to exercise their fundamental labor rights without fear of reprisal. It is important that we strengthen these tools to better promote international labor standards abroad. We also need to ensure that these clauses are fully, fairly and consistently enforced.

The rationale for linking trade and labor rights is twofold: 1) workers who are able to exercise these fundamental rights will be able to bargain collectively for better wages and working conditions, ensuring that the benefits of trade accrue not only to capital but also to labor; and 2) while developing countries should be able to attract investment based on a comparative wage advantage, it should not benefit from wages that are artificially low due to widespread labor repression. However, a substantial lack of political will in previous administrations meant that important trade leverage was not employed. The Obama Administration has already taken a positive step in the right direction by moving forward the CAFTA case filed against Guatemala in mid-2008. The Administration has devoted substantial time and resources to the case, and we expect that the U.S. government will prosecute this case to its conclusion. However, even with the best intentions, each of these tools has weaknesses that need to be addressed if they are to be most effective.

1. Trade Preference Reform

In 1984, Congress passed legislation conditioning a country's eligibility for preferences under the Generalized System of Preferences (GSP) on "taking steps to afford internationally recognized worker rights." Subsequently, other trade preference programs, such as the Caribbean Basin Initiative (CBI), the Andean Trade Preference Act (ATPA) and the African Growth and Opportunity Act (AGOA) included nearly identical language. However, significant substantive and procedural problems limit the effectiveness of these tools to promote the worker rights in developing countries. For example, the aforementioned preference programs require only that a country take steps to improve labor standards over time; they do not require a country to have achieved any

⁶ See 2010 Trade Policy Agenda, available online at www.ustr.gov/webfm_send/1673.

basic level of compliance to be eligible. It should come as no surprise then that labor standards in most countries have not improved significantly over the last 25 years. Further, the U.S. government has failed to enforce the existing language with any consistency, using broad discretion to reject out of hand meritorious petitions, or to drop investigations without any evidence of improvements in law or in practice.

Even now, two clearly meritorious petitions – against Sri Lanka and Iraq – have not been accepted for administrative review. In the case of Sri Lanka, the petitioning unions seek only a hearing on their case and for the U.S. government to engage with the government of Sri Lanka to adopt a comprehensive work plan to enact needed legal reforms and to address persistent problems in labor law enforcement. Yet, nearly two years later, it remains unclear whether the case will be accepted for review. Similarly, in Iraq, workers want the Saddam Hussein-era labor code, which outlawed freedom of association and collective bargaining in many sectors, to be replaced by a new labor code. In 2004, the ILO penned a new code, but the government in Iraq has failed to enact it for the last six years. Despite that, and dramatic state-sponsored labor repression of unions, the petition has yet to be accepted for administrative review. At no point has any government agency contested the facts alleged in either petitions or the overall merits.

To address these and other problems, the AFL-CIO has developed a comprehensive new proposal that sets a higher yet reasonable eligibility standard and a more regular and transparent complaint process which creates incentives for beneficiary countries to develop remediation plans to address labor rights violations at the industrial and national level.⁷

2. A New Model Bilateral Investment Treaty

In 2009, the USG announced that it would amend its model bilateral investment treaty (BIT), the template it uses to negotiate with proposed investment partners. The model, last updated in 2004, contains a number of provisions that are cause for concern.⁸ However, most relevant for this hearing, the model BIT contains extremely weak provisions on worker rights. Compared to the strong, unequivocal rights granted investors under the model BIT, the protections for workers, who produce the goods or provide the services that generate profits for the investor, are minimal at best.

First, the model BIT contains no minimum obligation on labor; rather, it simply requires a party to “strive” not to waive or derogate from those laws it might have on the books at the time the treaty is ratified. This standard is simply unacceptable. Instead, the model BIT’s minimum obligation should be the adoption and maintenance of laws and regulations consistent with the core labor rights of the ILO and the effective enforcement of same, as well as laws governing acceptable conditions of work with respect to

⁷ The AFL-CIO preference reform proposal is available online at waysandmeans.house.gov/Hearings/Testimony.aspx?TID=2295

⁸ See Report of the Subcommittee on Investment of the Advisory Committee on International Economic Policy Regarding the Model Bilateral Investment Treaty, Annex B, Collective Statement, available online at <http://www.state.gov/e/eeb/rls/othr/2009/131118.htm#>.

minimum wages, hours of work, and occupational safety and health. The model BIT must also include a prohibition against waiver or derogation of these laws. Finally, violations of the labor clause are not currently subject to dispute resolution but only to consultations with no possibility of fines or sanctions. At a minimum, the model BIT's existing state-to-state dispute resolution procedures must be available for labor rights claims.

An interagency process reviewing the model BIT is about to conclude its deliberations. It is important that the Administration use this opportunity to demonstrate a fresh approach to international economic policy negotiations. We continue to urge the Administration to amend the model BIT labor text by adopting the recommended changes described above.

3. Further Progress on Trade Agreements

Until May 10, 2007, with the exception of the US-Jordan FTA, U.S. bilateral and regional trade agreements contained very weak "enforce your own laws" provisions, which were subject to lengthy, cumbersome dispute resolution procedures that have yet to produce any real benefits for the workers of either party. The U.S.-Peru FTA marks a substantial step forward on international labor rights, though we still see room for further improvement that could make labor chapters in future trade agreements more effective. In response to the Obama Administration's announcement of its intent to negotiate a new regional trade agreement with Singapore, Chile, New Zealand, Brunei Darussalam, Australia, Peru and Vietnam -- the Trans-Pacific Partnership Trade Agreement -- the AFL-CIO filed comprehensive comments with USTR that set forth several ideas for a new model labor chapter for that trade agreement.⁹ We hope that these ideas will be given serious consideration in the weeks and months ahead.

Once labor commitments in trade agreements are negotiated, they need to be enforced. The over 30 complaints filed under NAFTA's labor side agreement have resulted in no more than hearings and ineffective cooperative activities. In practice, workers in each of the three countries continue to suffer many of these same violations raised in these numerous complaints. Indeed, in Mexico, the government is engaged in a frontal assault on democratic unions and core labor rights. The Jordan FTA complaint, though not formally accepted, did result in some modest improvements though a promised labor law reform to allow migrant workers to join a union and bargain collectively, a major cause for concern, remains elusive. We have every expectation that recently filed cases under this Administration, including the CAFTA case against Guatemala, a NAALC case against Mexico, and upcoming labor cases now in the pipeline, will lead to much better outcomes for workers than under prior administrations.

Finally, the May 10, 2007, labor language created new leverage for positive labor law reform -- as the text of the post-May 10 agreements require all parties to adopt laws and regulations consistent with the ILO core labor rights. Labor law reform is currently under way in Panama, and we expect to see significant changes in law and practice in

⁹ The AFL-CIO's TPP comments are available online at www.aflcio.org/issues/legislativealert/alerts/upload/tppta_01252010.pdf

Colombia and Korea, among several other important issues, before those agreements are submitted for a vote. Also, the labor laws in each of the potential TPP partners also fall short, to varying degrees, international minimum standards. The U.S. government should begin a conversation now with each of the proposed TPP member states, as well as representatives of workers and employers, about labor law reform and encourage the creation of local processes by which the social partners in each country may work towards the reforms necessary to bring labor codes into compliance. It is critical that all potential TPP signatories be in compliance with these international minimum standards prior to implementation of the agreement.

4. Overseas Private Investment Corporation (OPIC)

The inclusion of internationally recognized worker rights in the OPIC statute in 1986 was a significant step forward, in that it offered to workers in developing countries a tool to hold their governments and their employers accountable with respect to internationally recognized worker rights on U.S. financed or insured projects. However, the experience of worker rights advocates with the implementation of the statute over the years has demonstrated important shortfalls in ensuring that worker rights are actually respected in all OPIC-supported projects. In addition to the statute's limitations, the way in which OPIC undertook its worker rights assessments both before and after project approval had been very unsatisfactory. It is apparent that the methodology for determining whether workers' rights are respected - in the country or on the project - prior to project approval was insufficient to screen out potential and actual labor rights violators.

There is certainly room for continued improvement. However, we do note that OPIC's new leadership has expressed a strong commitment to improving the agency's work on labor rights compliance. We look forward to continued collaboration with OPIC to enable the agency to ensure that worker rights are fully respected on all of its projects.

Efforts have also been under way for some time to modernize the labor and environmental provisions of OPIC's statute and to create greater transparency in its project approval process. In 2009, Senator Kerry introduced "The Overseas Private Investment Corporation Reauthorization Act of 2009," virtually identical to the bill introduced by Chairman Sherman in the 110th Congress. While Sen. Kerry's bill was reported out of the Senate Foreign Relations Committee, it has yet to pass due to a hold. Though not perfect, the OPIC Reauthorization Act should be passed.

Third, the Obama Administration needs to work globally to create and enforce fair rules for the global economy to foster sustainable growth and broadly shared increases in the living standards and purchasing power of working people around the world.¹⁰ This will require constructive engagement with a number of international institutions.

¹⁰ One way in which the U.S. government is able to advocate meaningfully on these issues is through data collection on comparative labor trends. However, the Administration has proposed cutting the \$2 million budget of the BLS International Labor Comparisons Program. This program provides useful international comparisons of hourly compensation costs, productivity and unit labor costs, labor force, employment and unemployment rates and consumer prices. We strongly urge that funding for this program be restored.

1. The International Labor Organization

There is broad international support for strengthening the ILO. Both the June 2008 ILO Declaration on Social Justice for a Fair Globalization and the 2009 Global Jobs Pact direct the organization to develop a plan to strengthen its capacity to help countries improve information about their progress on the main parameters of Decent Work and jobs creation (including implementation of core labor standards), construct effective labor ministries (including labor law inspection and enforcement capacity), and establish basic social insurance systems. The Administration should work closely with developing and developed country ILO delegations to help the secretariat design, fund, and implement a major expansion of the organization's activities in implementing the Global Jobs Pact and the Decent Work Agenda. And, it should offer to fund a significant proportion of the necessary resources.

Labor ministers must also work with social partners to lead the follow-up to G20 support for the Global Jobs Pact and ensure that the Pact's principles are translated into concrete action to maintain and create decent work. They should engage with the ILO to mobilize resources at national level to support "Pact Implementation Plans" that engage trade union and employer organizations.

Importantly, the U.S. must give serious consideration to the ratification of all ILO core conventions. To date, the U.S. has only ratified two of the eight that are considered "core" conventions. By so doing, the U.S. will possess a far greater authority on the world stage, particularly on matters of labor and trade. An important first step would be the ratification of Convention 111 of 1958, the Discrimination (Employment and Occupation) Convention and Convention 100 of 1951, the Equal Remuneration Convention. As a nation, workers have struggled long and hard to combat discrimination in all of its forms, including discrimination in hiring, employment and conditions of work. This is a step that is long overdue. We must join the great majority of nations in expressing our unqualified condemnation of such practices and committing ourselves to ensure that no U.S. worker suffers discrimination on the job.

2. G20 and the Employment Crisis

At the G20 Summit in Pittsburgh in 2009, the leaders called for "recovery plans that support decent work, help preserve employment and prioritize job growth" and directed their Employment and Labor Ministers to meet in early 2010 "to assess the evolving employment situation, review reports from the ILO and other organizations on the impact of policies we have adopted, [and] report on whether further measures are desirable." The central objective of the G20 Employment and Labour Ministers meeting, which will take place in Washington, DC in April, must be to ensure that this scenario of a 'jobless recovery' is not accepted and that it is understood that the recovery will remain fragile and incomplete as long as the jobs crisis continues.

The global trade unions will be calling on Labor Ministers to spell out:

1. The size, duration, coordination, and targeting of stimulus packages required to beat the jobs crisis including how they plan to implement the ILO Global Jobs Pact;
2. Given that high and rising inequality was a major contributor to the crisis, how they plan to ensure the full integration of labor issues into the newly established G20 “Framework for Strong, Sustainable and Balanced Growth” and to define the role of the ILO in it;
3. How they will move forward with a strategy to re-skill and upgrade the global workforce;
4. How they expect the different international institutions to work together to apply the Pittsburgh decision that they “should consider ILO standards and the goals of the Jobs Pact in their crisis and post-crisis analysis and policy-making initiatives” so as to ensure due policy coherence; and
5. Above all, how they will engage with trade unions and employers’ organizations – the social partners – before, during and in the follow-up to the meeting to ensure effectiveness in the response to the crisis.

The AFL-CIO and the Global Union movement considers it essential that the ILO, with its tripartite constituency and responsibility for the Global Jobs Pact negotiated in June 2009, participate on the same footing as the IMF and be assigned specific responsibility for employment and social protection issues within the Framework.

3. The World Trade Organization (WTO)

The Seventh WTO Ministerial Conference in December 2009 was convened as an opportunity, among other things, to take stock of negotiations in light of the ongoing global jobs crisis and to devise a way forward that leads to more sustainable global growth and, importantly, more and better jobs for workers at home and abroad. It is important that this be done and taken seriously. It is critical that we develop a new multilateral trade policy, the purpose of which is to support the creation of full, decent and productive employment at home and abroad based upon respect for workers’ rights.

With the relatively recent entrance of countries such as China, India and the former Soviet states into the global economy, the global labor force has doubled – posing significant challenges to living standards in the U.S. and other developed countries. Now, well over a billion new workers earn wages and work under conditions far below workers in developed countries. Governments need to meet this challenge with appropriate national and global policies to lift up living standards in developing countries and to mitigate the downward pressure on wages and working conditions in developed countries. This is far more than a trade issue, but the right trade policy will help to produce a balanced global outcome for workers both here and abroad.

The U.S. must continue to lead on the promotion of worker rights. For too long, the issue of worker rights has been absent from the multilateral agenda. The WTO membership has so far been reluctant to go beyond the hortatory worker rights language found in the 1996 Singapore Ministerial Declaration, in which members renewed their commitment to the observance of internationally recognized core labor standards and to support the work of the International Labor Organization (ILO). We need to move beyond this. Establishing a Working Group on Labor and Trade could be an immediate first step. Eventually, however, the WTO must include a mechanism for the enforcement of core labor standards.

4. International Monetary Fund (IMF)

The IMF was originally established to promote global economic growth and full employment and to prevent rapidly fluctuating currency values, which could have destabilizing effects on individual countries and the global economy as a whole. Over the years, however, the institution lost its way both as to its core mission and on the right policies necessary to promote global growth. There are clear signs that the institution is slowing righting itself - in part due to the leadership of the G20 following the onset of the crisis. The recent rethinking of orthodox positions within the Fund, on, for example, capital controls, is another sign of changes at the IMF. There is of course much more that the Fund could do.

However, despite a clear call for counter-cyclical policies to help countries emerge from the current economic crisis, we remain concerned that this call is not being fully heeded. Some recent loans include steep and inappropriate deficit reduction targets achieved through cuts to public sector spending and freezing or cutting public sector wages, pensions and social transfer payments – though in some cases these have been revised. This has a very direct and negative impact on workers in those countries. The IMF, particularly during this crisis, must be promoting and supporting expansive stimulus programs in developed, emerging and developing countries. Importantly, calls by the IMF to ease up on stimulus measures before there is robust and sustainable private sector employment growth, would be premature and very damaging to workers.

The current economic crisis, as well as the combination of rising poverty and inequality in many newly industrializing countries and stagnating real wages in the United States and other advanced industrialized countries have sown doubts about whether global integration can live up to its billing as a force for shared progress. U.S. international economic policy needs fundamental realignment to meet these challenges. The focus should be to retool and realign the full spectrum of international aid, trade and monetary policies so that they collectively serve to strengthen aggregate demand worldwide by building a larger, more prosperous global middle class. Central to that mission – should be the promotion, protection and realization of the rights of workers in the global economy.