

## **Fighting Corruption: The Role Of Trade Unions**

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### **THE ROLE OF TRADE UNIONS**

#### **Introduction**

In October 1997, three international trade union organisations the TUAC, ICFTU and ETUC issued a joint statement with their employer counterparts the BIAC, ICC and UNICE welcoming the agreement on the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and urging governments to ratify the Convention. In February 1999, when the Convention came into force the international trade union movement therefore felt that progress was being made in the world-wide fight against corruption. This paper deals with two central questions concerning the trade union views on fighting corruption.

- A. Why do unions have a direct interest in fighting corruption over and above the interest of our members as concerned citizens?
- B. What now needs to happen from our perspective in the OECD and beyond to step up the fight against corruption and what can we, as trade unionists, do to help?

#### **The unions' interest in fighting corruption**

The first and main reason for unions' interest in this subject is the link between corruption and abuses of freedom of association and other core labour standards. A brief look at the Transparency International list of the most corrupt countries in which to do business shows that, with very few exceptions these are the countries that have not ratified the core conventions of the ILO and many of them have been the subject of repeated censures from the Freedom of Association Committee of the ILO. On the contrary the least corrupt countries have by and large good records on Freedom of Association and trade union rights. There are many reasons as to why this relationship exists. Corruption is often linked to unaccountable political elites who suppress trade union and other human rights to protect their own position and privileges. Action to implement the ILO's 1998 Declaration on Fundamental Rights at Work and ensure that Freedom of Association is observed in more countries throughout the world, would therefore also be action in the long term to fight corruption.

This Conference is sub-titled 'Developing Effective Anti-Corruption Strategies in a Changing World'. The word "effective" is key to this, which requires "partnerships" and coalition building among committed organisations, that in turn requires an enabling environment at the local and national levels. It is of particular concern that many countries have failed to ratify ILO Convention 87 on Freedom of Association and even fewer are actively promoting trade union rights; preconditions to building an enabling environment.

In our experience similar relationships also exist at the workplace level. Unionised workplaces are more likely to be associated with cultures of transparency and accountability of management decisions. Therefore unionised workplaces are less likely to be ones in which bribes are surreptitiously sought or paid.

The bribery of public officials is also clearly an endemic problem when levels of public sector pay are so low that in some cases it is impossible to provide a family income. Again this is a problem associated with situations existing in several Asian countries where unions are restricted from organising in the public sector and negotiating for public sector workers. In this region working to give public servants the right to organise and bargain is also part of the fight against corruption

A second reason for trade union interest is that in the fight against corruption it is employees who expose corruption in organisations the "whistle-blowers" who are likely to suffer victimisation. As organisations which have the responsibility to represent employee interests we have to defend whistle-blowers. In the UK recently the government has introduced legislation protecting "whistle-blowers" and the UK Public Sector UNISON has established a telephone "hot-line" for employees to call if they wish to expose corruption or need protection.

In some parts of the world the risk to whistle-blowers is not just in terms of their jobs. Over the last year we received information of trade unionists and employees murdered in countries as far apart as Russia and Guatemala, for exposing corruption in the handling of privatisation contracts.

A third reason for trade union concern in the area is that with a more global economy, we need common rules of the game. If bribery is not to be a distortion in trade and investment, we need common action in all countries.

From the above, it is clear why trade unions take the fight against bribery seriously, why the TUAC and ICFTU support the campaign for rapid ratification and implementation of the OECD Bribery Convention.

### **What is to be done**

The second question that I have posed is what now needs to happen in the broader campaign to fight bribery and what trade unions can do to help.

Firstly, TUAC and the ICFTU are working with affiliates in the OECD countries to encourage more ratifications of the anti-bribery convention.

Secondly, we need to step up methods to protect whistle-blowers - employees who risk victimisation by exposing corrupt practices in their enterprises. This was not covered in the anti-bribery convention because of variations in national systems on employee protection. It is essential however that the OECD now launch work on this, possibly in conjunction with the ILO. Trade unions have already experience in this area through work on health and safety issues and the need to protect health and safety representatives who "blow the whistle" on unsafe or unhealthy working practices. The Reports on the tragic Bhopal accident and subsequent industrial disasters in Asia and beyond have shown that workers have been fearful to challenge managers on safety issues for fear of losing their jobs.

The example I gave earlier on government and union action in Britain on this whistle-blower protection could be emulated elsewhere. I understand that the OECD is planning to organise a workshop on this issue with TUAC and our employers' counterpart BIAC later this year, which is a first step to taking action.

I would also add that in the trade union movement we also organise journalists, who also have first hand experience of problems of protection for exposing corruption. We need to link the campaign against corruption with campaigns on freedom of expression.

A third issue is the question of the role of corporate codes of conduct and voluntary initiatives to combat corruption. Codes are now seen by some as a panacea for dealing with any issue. In the labour movement we have accumulating experience with Codes on a range of issues relating to social responsibility of companies and their environmental impact. These do include genuine attempts by companies to establish ethical or environmental standards for themselves and sometimes their subcontractors or suppliers. This is sometimes for economic reasons to protect themselves against consumer or NGO boycotts. Often, however, codes are simply public relations exercises, which have little practical impact. The key factors, which determine the value of Codes are the monitoring, independent verification and certification procedures that accompany them. Moreover, Codes cannot be seen as an alternative to effective government regulation. Unions can therefore bring a source of transparency to the whole debate on corporate social responsibility.

A fourth issue concerning the union role is to ensure that unions themselves, as organisations show "zero tolerance" in their own ranks to corruption. Unions as other organisations are often a reflection of the societies in which they organise and function, but we also have to have a more fundamental vocation of responsibility to our membership.

A fifth issue where we can be effective is to work to negotiate decent wages for public officials but as I have said before this depends on having the right to represent and bargain for workers in the public sector.

A sixth issue relates to the question of privatisation, where the argument is sometimes heard that privatisation reduces the opportunity for corruption. That is an argument that we disagree with very strongly. Corruption is an issue that affects both the public and the private sectors. Moreover, the privatisation process itself introduces new ethical questions on the role of public officials and private investors. It is against this background that the international organisation for public sector trade unions "Public Services International" has drawn up a code of ethics for public officials in handling these issues.

A seventh issue relates to capacity building among the different organisations committed to the anti-corruption fight. The trade union approach here is one based on "partnerships", where the main committed actors, including governments, donor organisations, trade unions, business and civil society groups come together as equals to share information and experiences, and then to develop joint activities at the relevant level, be it local, national, regional or multilateral. On this I would like to single out for praise the Anti-Corruption Network, co-ordinated by the OECD.

In conclusion, it is clear that unions have a part to play in combating corruption around the world. If this campaign remains one directed from above it will not reach the roots of the problem. It is necessary to mobilise all our populations on this issue, for coalitions and link the campaign to a wider agenda. In that unions are ready to play their role.