

**UNI PROPERTY SERVICES GLOBAL UNION CONFERENCE**  
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Thank you and good morning, ladies and gentlemen, distinguished delegates.

We meet, of course, at an extremely serious time.

The economic and financial crises are exacting an enormous human cost.

This is not just an economic crisis – it is a jobs crisis, a social crisis.

- 50 million jobs are expected to be lost by the end of this year.
- Unemployment is forecast to hit 10 percent on average in advanced economies – and the crisis is expected to push a further 90 million into poverty in poor countries.
- And, of course, the world's poorest countries are unable to protect their citizens from the crisis, with an estimated 43 out of 48 low-income countries incapable of providing a pro-poor government stimulus.

As the G-20 meets in London today, this is the alarming state-of-affairs. Widespread protests reveal the anger and discontent that many feel towards policy makers and business leaders.

And, of great concern to all of us here today, is that the economic crisis will roll back many of the workplace achievements that have been made in recent years.

There is also the related question of whether the current crisis will serve to advance the best aspects of voluntary corporate responsibility efforts, and if assumptions about the business case and the long-term benefits of voluntary environmental and social responsibility will hold in a climate of weakened demand, negative growth and rising unemployment.

We believe that they will, but we are only beginning to develop a more comprehensive understanding of the impact of the crisis on individual corporate responsibility efforts and both national and international strategies to support and advance CSR. And, in addition, the ways in which voluntary efforts can relate to and complement regulation.

Please allow me to provide a brief update on the status of our initiative.

Since its launch nine years ago, the Global Compact has grown in size from 50 business participants to more than 5000 participants in 133 countries. All participating companies have made a commitment to implement our ten universal principles in the areas of human rights, labour, the environment and anti-corruption in their strategies, policies and day-to-day operations.

Their efforts are supported by more than 1500 non-business participants from civil society, labour, and the public sector. In over 80 countries around the world, Global Compact Local Networks have been established or are emerging – with most of these in the developing world. Labour is involved in some of these networks but there's a need to involve labour much more actively.

With the introduction of mandatory annual public reporting, also known as the Communication on Progress, the Global Compact has created a disclosure framework that promotes accountability and transparency on the one hand, and facilitates the continuous performance improvement of business on the other. And it has some teeth – we have delisted nearly 1000 companies during the past two years for failure to adhere to this policy.

The Global Compact's four labour principles, rooted in the ILO's Declaration on Fundamental Principles and Rights at Work, cover four distinct issue areas: freedom of association and collective bargaining; forced labour; child labour; and workplace discrimination. They may be the most precisely worded of all Global Compact principles, yet, as experience shows, they are not necessarily the easiest to implement.

In fact, we still often encounter significant resistance, simply because the implementation of higher labour standards and better workplace relations are still feared by many business leaders as cost drivers, despite much evidence to the contrary. It shows that the business case for higher standards,

including collective bargaining and freedom of association, is often not sufficiently understood.

However, a multitude of studies and practical examples point to the linkages between better workplace relations and productivity, product quality and employee retention rates, ultimately contributing to significant long-term cost-savings, reputational gains and improved market access.

In this regard, global framework agreements can be an effective tool to advance the implementation of the Global Compact labour principles and improve industrial relations.

There are at least 26 Global Compact participants that have entered into such framework agreements. The objective, of course, is to ensure that a company respects the same standards in all the countries where it operates.

At the same time, we recognize the limits of voluntary efforts. I think we all agree that the Global Compact can never be a substitute for the responsibility of governments to enact, implement and, most importantly, enforce effective regulation.

And CSR efforts, to be legitimate and meaningful, must be universally applied to avoid the proverbial Race-to-the-Bottom. Christopher NG of UNI stressed this point in his recent speech in Potsdam. In this regard, the Global Compact's universal value framework is consistent with the aims of global unions such as UNI.

We will continue to convene events and develop tools and resources to promote our labour principles. Last year, as you may know, we established a Global Compact Labour Working Group to raise the profile, relevance of and respect for our four labour principles.

Finally, we are supporting the UN Secretary-General's call for a "Green New Deal", which holds the potential of providing decent work while also addressing climate change – a double dividend.

I thank you for your time, and wish you a successful and fruitful meeting.

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