



UNION NETWORK INTERNATIONAL

World Bank Institute

Labor Market Policies Course

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**Privatization, SOE Restructuring and
Downsizing**

Union Network International

- **Global Union Federation (affiliated with ICFTU)**
 - **900 affiliated labor unions in 140 countries**
 - **15 million workers**
 - **Service sector industries:**
 - Post and Telecom
 - Commerce and Finance
 - Media
 - Graphical
 - **Geneva-HQ with regional offices in Africa, Asia, Europe and Latin America**

Outline

- **Trade union view of privatization and SOE reform**
- **UNI recommendations**
- **Case study: postal sector reform in the Americas**
- **Lessons learned**

Privatization: The Global Labor Movement View

.ICFTU/UNI Approach

- SOE restructuring preferable to privatization
- Reject privatization of key public services (education, health, water, etc.) and implement effective regulation, ensure access for poor, and provide safety net for workers in other cases
- Protect worker rights and enforce core labor standards

.Core Labor Standards

- Freedom of association and collective bargaining
- Elimination of employment discrimination
- Elimination of forced or compulsory labor
- Elimination of child labor

UNI Case Study: Postal Reform in the Americas

- **The Good, the Bad and the Ugly -- in reverse order**
- **World Bank Postal Projects**
 - **Guatemala - 5-year concession to IPS/Canada Post Int'l**
 - **Argentina - 30-year concession to Macri Group**
 - **Trinidad and Tobago: Management Contract with Transend (New Zealand Post Int'l)**

Labor's Lessons Learned

- **Consult unions early and often**
 - Project design and labor policies
- **Ensure proper regulatory framework in place**
- **Provide adequate safety net for surplus workers**
 - Unemployment insurance
 - Training and outplacement
 - Severance pay or early retirement
- **Reward surviving workers**