

# FREE TRADE AND TRADE UNIONS OF THE AMERICAS

**Strategies, practices, struggles, achievements**

**by GLOBAL LABOR STRATEGIES**

Study commissioned by the  
Chamber of Labour for Vienna, Austria

Vienna, September 2009



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The GLS staff of Tim Costello, Brendan Smith, Jeremy Brecher, Claudia Torrelli and Bruno Ciccaglione is an team that brings a wealth of practical and expert knowledge—a result of decades of work on workplace, environmental, political, networking, economic development, and legal issues. Bruno Ciccaglione, a veteran Italian trade unionist and social justice activist currently based in Vienna, Austria, joined GLS in 2008 as we expand our European network.

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# **FREE TRADE AND TRADE UNIONS OF THE AMERICAS**

## **Strategies, practices, struggles, achievements**

### **Abstract**

Our study analyzes the evolution in vision, strategies and practices emerging in the trade union movements of the Americas since the first Free Trade Agreement (FTA) between Canada and the USA which entered in force in 1988.

Trade Unions of the Americas actually consider FTAs as part of the so called “neoliberal policies”, considered to be responsible for the current global economic crisis. One of the results of our study is the conclusion that a process of convergence occurred within the labor movement, and this led to positions and strategies which not only made possible to speak common languages, but even gave the input to create stable transnational alliances, such as the Hemispheric Social Alliance. We argue that this convergence process was also relevant in helping the process of unification of the trade union movements that gave birth to the Trade Union Confederation of the Americas (TUCA-CSA).

The study focuses on some of the biggest trade unions of the Americas. Thus, we think the experiences we studied give a good and diversified picture of the reactions of the labor movements in the Americas facing FTAs. The national case studies we investigated in depth have been the Canadian Labour Congress (CLC), the AFL-CIO for the United States and the CUT for Brazil. We also investigated the TUCA-CSA, which is the recently formed regional confederation of the International Trade Union Confederation (ITUC). We had the privilege to conduct face-to-face interviews with some of the persons responsible for FTAs and trade in these trade unions, such as Sheila Katz (CLC National Representative for the Americas), Thea Lee (AFL-CIO Policy Director), Kjeld Jacobsen (former Secretary for International Relationships of CUT Brazil, and former General Secretary of the Hemispheric Social Alliance, currently working for the Social Observatory), Gonzalo Berron (TUCA-CSA Regional Integration Advocate, former General Secretary of the Hemispheric Social Alliance). We also received valuable contributions from interviews with Hector De La Cueva (Labor Analysis Center and Trade Union Department in Mexico, first General Secretary of the Hemispheric Social Alliance), Adhemar Mineiro (REBRIP,- Brazilian Network for People Integration - representative in the negotiations on the Free Trade Area of the Americas, Brazil) and Robin Alexander (United Electrical, Radio and Machine Workers of America, UE, Director of International Labor Affairs and former member of the legal team filing cases under the NAALC, the labor side agreement of the NAFTA).

To face the challenge posed by FTAs, the trade union movement in the Americas developed a set of tools and strategies, sometimes used separately, sometimes together. Most of the time a combination of different elements was used. The different elements we considered are: the demand for transparency and participation in the negotiations; the demand for social clauses within FTAs and the connected lobbying campaigns; the building of cross border alliances with other trade unions (TUs); the building of alliances outside of the TU movement with other social movements; the mobilizations and the attempts to promote and develop a vision for a new trading system.

We suggest that some of the most interesting and original elements which emerged in our research on strategies, practices and struggles of trade unions in the Americas facing FTAs could offer important lessons for European trade unions, when attempting to build common platforms and ultimately to build new forms of transnational solidarity. Some of these elements are: the demand for a new kind of trade rules that are not designed to serve the interest of Transnational Companies, thus transcending FTAs based on the neoliberal model. Social clauses are to be considered essential, but not sufficient elements when assessing trade agreements from a union perspective; the attempt to build concrete links – and possibly common platforms - between trade unions of the countries involved in the negotiations (both in bilateral and in regional/multilateral negotiations); and building wide alliances with social movements. These elements could prove to be effective tools for trade unions in advocating and defending labor rights, both within the national borders and at the international level.

### **Zusammenfassung:**

Die Studie analysiert die Entwicklung von Vision, Strategien und Praktiken zum freien Handel in den Gewerkschaftsbewegungen in Nord- und Südamerika seit dem ersten Freihandelsabkommen (FHA) zwischen Kanada und den USA, das 1988 in Kraft getreten ist.

Die Gewerkschaften in den beiden Americas betrachten FHAs in der Tat als Teil sog. neoliberaler Politiken, welche für die gegenwärtige Weltwirtschaftskrise verantwortlich gemacht werden. Eines der Ergebnisse der Studie ist, dass es innerhalb der Gewerkschaftsbewegung einen Prozess der Konvergenz gegeben hat. Diese Konvergenz hat zu Positionen und Strategien geführt, die nicht nur zur Verbesserung der Kommunikation zwischen den Gewerkschaften beigetragen haben, sondern sogar die Bildung stabiler transnationaler Allianzen ermöglichte, wie zB der Hemispheric Social Alliance. Dieser Konvergenzprozess hat zudem den Prozess der Vereinigung der Gewerkschaftsbewegungen befördert, der schließlich zur Gründung des Gewerkschaftsbundes der Americas (TUCA-CSA) führte.

Die Studie konzentriert sich im besonderen auf die größten amerikanischen Gewerkschaften. Deshalb gehen wir davon aus, dass die Untersuchung ein gutes und ausgewogenes Bild der gewerkschaftlichen Reaktionen in den beiden Americas auf FHAs zeichnet. Die länderbezogenen Fallstudien, die im Detail untersucht wurden, fokussierten auf den kanadischen Gewerkschaftskongress (CLD), die AFL-CIO für die USA und die CUT für Brasilien. Ebenfalls untersucht wurde TUCA-CSA, die vor kurzem gegründete regionale Sub-Organisation des Internationalen Gewerkschaftsbunds (ITUC). Wir hatten das Privileg, mit den Personen, welche in diesen Gewerkschaftsverbänden für die FHAs und die Handelspolitik verantwortlich sind, persönliche Interviews zu führen, wie zB mit Sheila Katz (Nationale Verantwortliche im CLC für die Americas), Thea Lee (AFC-CIO Policy Director), Kield Jacobsen (ehemaliger Sekretär für internationale Beziehungen der CUT Brasilien, und ehemaliger Generalsekretär der Hemispheric Social Alliance, nunmehr Mitarbeiter des Observatorio Social), Gonzalo Berron (TUCA-CSA Regional Integration Advocate und ehemaliger Generalsekretär der Hemispheric Social Alliance). Wichtige Beiträge kamen auch aus Interviews mit Hector de la Cueva (Labor Analysis Center and Trade Union Department in Mexiko, erster Generalsekretär der Hemispheric Social Alliance), Adhemar Mineiro



(Repräsentant der REBRIP bei den Verhandlungen für die pan-amerikanische Freihandelszone, Brasilien) und Robin Alexander (United Electrical, Radio and Machine Workers of America, Direktor für internationale Arbeitsbeziehungen und ehemaliges Mitglied einer Gruppe Rechtsexperten, welche Beschwerden im Rahmen des NAALC, des Nebenabkommens von NAFTA zu Arbeitsstandards, einbrachte).

Um die durch die FHAs entstehenden Herausforderungen zu bewältigen, entwickelte die Gewerkschaftsbewegung in den beiden Americas eine Reihe von Instrumenten und Strategien, die manchmal separat, manchmal gemeinsam eingesetzt wurden. Zumeist wurde allerdings eine Kombination verschiedener Elemente verwendet. Die Elemente, die wir näher untersuchten, sind: die Forderung nach Transparenz und Beteiligung in den Verhandlungen; die Forderung nach Sozialklauseln in den FHAs und die damit verbundenen Lobbying-Kampagnen; den Aufbau grenzüberschreitender Allianzen zwischen Gewerkschaften; den Aufbau von Allianzen über die Gewerkschaften hinaus mit anderen sozialen Bewegungen; die Mobilisierungen und Versuche eine Vision für ein neues Handelssystem zu entwickeln und bekannt zu machen.

Wir glauben, dass einige der interessantesten und originellsten Elemente, die sich im Rahmen unserer Forschung zu Strategien, Praktiken und Kämpfen von Gewerkschaften in den beiden Americas zu FHA herauskristallisierten, wichtige Anregungen für die europäischen Gewerkschaften und deren Versuche, gemeinsame Plattformen und letztlich neue Formen transnationaler Solidarität zu bauen, liefern können. Diese Elemente beinhalten unter anderem: (i) die Forderung nach einer neuen Art von Handelsregeln, die nicht auf die Interessen Transnationaler Unternehmen ausgerichtet sind, und damit über das neoliberale Modell der FHAs hinausgehen; (ii) Sozial- und Arbeitsklauseln müssen als essenzielles, jedoch nicht hinreichendes Element betrachtet werden in der gewerkschaftlichen Beurteilung eines Handelsabkommens; (iii) der Versuch direkte Verbindungen – und wenn möglich gemeinsame Plattformen – zwischen Gewerkschaften jener Länder, die sich in Handelsgesprächen (sowohl bilateral als auch regional bzw. multilateral) befinden, aufzubauen; und (iv) breite Allianzen mit sozialen Bewegungen zu bilden. Diese Elemente könnten sich als effektive Instrumente für Gewerkschaften erweisen, in ihrem Kampf für und der Verteidigung von ArbeitnehmerInnenrechten, sowohl im nationalen Kontext als auch auf internationaler Ebene.

# 1. Trade Policies facing the global economic crises

## 1.1 Free trade as part of the neoliberal policies

As the global economic crisis increasingly affects the different regions of the planet with an impact that is everywhere strong, but different from country to country, the already vigorous debate and discussion on the role and function of trade policies in the global economy is increasing too. The failure of the Doha Round of the WTO in Geneva in the summer of 2008 underlines the scale and the relevance of this debate.

The collapse of the Doha Round talks was also viewed by many trade unions in the Americas as a result of their struggles, and the struggles of others including the International Trade Union Confederation (ITUC), which opposed the negotiations as a major threat to workers, especially the proposed NAMA<sup>1</sup> provisions. The economic collapse of the recent months and its growing impact on the global economy follows other major unresolved and interconnected crises in food, energy, and climate. Indeed trade policies viewed from the perspective of the labor movements in the Americas and elsewhere, are bound up with the debate on how to face the challenges that all these major crises pose.

Indeed within the labor movement in the Americas and worldwide there is a growing consensus that Free Trade Agreements (FTAs) are part of the *neoliberal policies* of corporate globalization, and that these treaties must be considered as part of a more general neoliberal approach to economic development, based on a progressively reduced role of the State and the reshaping of largely unregulated and "competitive" global markets for commodities, services and labor<sup>2</sup>.

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- 1 The NAMA (Non Agricultural Market Access) negotiations are referred "to all products not covered by the Agreement on Agriculture. (...)it includes manufacturing products, fuels and mining products, fish and fish products, and forestry products. They are sometimes referred to as industrial products or manufactured goods. (...) Over the past years, NAMA products have accounted for almost 90% of the world merchandise exports" - WTO [http://www.wto.org/English/tratop\\_e/markacc\\_e/nama\\_negotiations\\_e.htm](http://www.wto.org/English/tratop_e/markacc_e/nama_negotiations_e.htm)
  - 2 Most of the earlier trade agreements such as NAFTA explicitly barred the free flow of labor across borders while facilitating the free flow of corporations and commodities. Nevertheless today we see on the one hand an increasing regulation of the flow of high skilled workers (as planned in the EU Blue Card Directive), on the other hand "Breaking from this approach, governments today are increasingly negotiating the free-flow of workers in a host of sectors, for example through the GATS. These negotiations, however, do not make reference to any of the existing conventions on migrant workers` rights" Canadian Labour Congress – Notes of Workshop on Labour rights and trade/ Ottawa, May 29, 2007 - [http://canadianlabour.ca/en/Notes\\_of\\_Workshop\\_on](http://canadianlabour.ca/en/Notes_of_Workshop_on)

Although they have varying opinions on what the role of the state should be in a globalized world, the main trade union organizations in the Americas never considered FTAs as a good instrument to implement the trade policies they wanted. They promote — with different accents and voices - the need to reshape the rules on trade in a completely different way. The trade unions tend to consider FTAs and the multilateral negotiations on trade in the WTO, as tools designed to serve the interests of the corporations, aiming to obtain free access to new markets, to reduce the costs of their production through the re-localization of productions, to freely move their capital in search of higher profits. This approach, most of them argue, has produced a dramatic race to the bottom that damages workers and the environment, and weakens and destabilizes economies by promoting export-oriented development and big trade imbalances that only benefit big corporations and investors.

## **1.2 Trade Unions asymmetries**

As is natural in each country labor movements have different traditions, attitudes, histories and strategies. Interesting elements emerged in our research analyzing how Trade Unions (TUs) managed the different labor movements' attitudes in each country about trade policies. One of the main challenges for the labor movement facing FTAs was trying to speak with one voice to prevent a race to the bottom between workers of different countries. This implied a new approach for most of the TUs, which are traditionally more used to operating within a national perspective.

The problems connected with handling these asymmetries and the new dimension of the challenges, can be best illustrated by the case of the North American Free Trade Agreement (NAFTA), which became effective in January 1994 between Canada, USA and Mexico. While today – after 15 years of NAFTA experience - *almost* every TU in the three countries agrees on the dramatically negative impact of that agreement for the workers and the economy of all of the three countries, it is useful to remember that opposing NAFTA during its negotiation was not the common position of the labor movements. In Canada, USA and Mexico, the TUs positions ranged from (i) open opposition to the NAFTA by the Canadian Labor Congress, representing a large majority of the Canadian workers; to (ii) a more diversified picture within the USA labor movement, where the AFL-CIO at the beginning did not take a formal position, but with some important TUs openly against the NAFTA; and (iii) finally to the opposite in Mexico, where the main TU confederations, formally representing

the majority of the workers, stood in favor of the NAFTA. The asymmetry was also related to different motives behind the positioning, even when the opposition to the Agreement was common: the motives behind the opposition to NAFTA definitely included protectionist positions by some of the northern TUs involved in the mobilizations against the agreement. While it would be stretching things to say that NAFTA could have been rejected if the TUs were able to speak with one voice, there is no doubt that this experience offered important lessons to all actors for the future.

## 2. Positioning on FTAs: some cases

### 2.1 The Canadian Labour Congress (CLC)<sup>3</sup>

The CLC was one of the first labor organizations in the Americas to openly oppose FTAs. From the initial negotiations between the USA and Canada that led to the first FTA between the two countries in 1988, the CLC stood in opposition. One of the key reasons for this opposition was the CLC's positive evaluation of the industrial policies which started in the post-war period in many western countries. As in many countries, the industrial policies in Canada aimed at building and developing a large manufacturing sector. These policies mixed measures to design forms of economic integration, that included trade agreements, with forms of protection for the national economy. One of the most important agreements of that period was the Auto Pact with the USA, signed in 1965. It allowed the three big US auto makers—Chrysler, Ford and General Motors—to obtain trade benefits in the Canadian market, including the elimination of tariffs on cars, trucks, buses, tires and automotive parts. In exchange the Auto Pact contained safeguards for Canada to ensure that major North American car manufacturers continued their investment and production in this country. The agreement stated that for every car sold in Canada, one had to be built in Canada. Each vehicle built in Canada also had to have at least 60 percent Canadian content in both parts and labor. Tariffs were applied if these conditions were not met<sup>4</sup>.

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3 [http://canadianlabour.ca/en/about\\_us](http://canadianlabour.ca/en/about_us): *"The Canadian Labour Congress is the largest democratic and popular organization in Canada with over three million members. The Canadian Labour Congress brings together Canada's national and international unions, the provincial and territorial federations of labour and 136 district labour councils"*

4 [http://canadianeconomy.gc.ca/english/economy/1965canada\\_us\\_auto\\_pact.html](http://canadianeconomy.gc.ca/english/economy/1965canada_us_auto_pact.html): The Auto Pact eliminated trade tariffs between the two countries and created a single North American manufacturing market. Tariffs between the two countries were eliminated on cars, trucks, buses, tires and automotive parts. The single market allowed Chrysler, Ford and General Motors to rationalize production in Canada and

According to CLC National Representative for the Americas, Sheila Katz, the Auto Pact of 1965 *“was destroyed with the Free Trade Agreement between Canada and the USA - signed in 1988 - and later by the NAFTA and the WTO. To the CLC the Auto Pact was a prime example of a fair trade policy. But with the FTA of 1988 the US manufacturing companies would no longer need to produce in Canada in order to sell in Canada. The consequence would be the re-location of the production and a job loss”*<sup>5</sup>.

The CLC opposed the FTA both in order to safeguard the future development of the manufacturing sector and to prevent a massive job loss. Labor standards and rights in Canada were considered much higher than in most of the US and there was a clear concern that the FTA would favor a race to the bottom with US workers. Notably, the attempts to establish a dialogue with the US TUs did not succeed. *“At that time there was not much receptivity from the TUs in the USA to understand the position of the CLC opposing the FTA. With the NAFTA the same impact was dramatically suffered by the USA workers and the US TUs learned what we had been talking about the harder way, through the hard experience”*<sup>6</sup>.

Regardless of the CLC opposition, the FTA between Canada and the USA was signed. Its implementation produced, CLC representatives argue, a huge recession in 1989/90 and a massive loss of manufacturing jobs. Eventually some recovery in employment occurred but *“in different kind of jobs, less unionized jobs, without decent salaries”*<sup>7</sup>.

Following the enactment of the Canada – USA FTA, the need to start a dialogue and a coordination between different TUs in different countries was seen as an urgent priority by the CLC. The chosen venues to start that process were the Inter American Regional

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the United States and form a single integrated production and marketing system. Larger, more efficient car plants were built to serve both countries, which led to an expanding automotive industry in Canada. Higher levels of integration and better access to the world’s largest auto market enabled Canada to develop an internationally competitive auto industry. The Auto Pact also contained safeguards for Canada to ensure that major North American car manufacturers continued their investment and production in this country. The agreement stated that for every car sold in Canada, one had to be built in Canada. Each vehicle built in Canada also had to have at least 60 percent Canadian content in both parts and labour.

5 Sheila Katz interview on February 9<sup>th</sup>, 2009, by Bruno Ciccaglione

6 *Ibid.*

7 *Ibid.*

organization of Workers (CIOSL/ORIT)<sup>8</sup> as well as the International Confederation of Free Trade Unions (ICFTU)<sup>9</sup>, that is to say the regional and international TUs organizations. The difficulty in speaking the same language was – and still is – remarkable. But the changes that took place in the TUs movement in the Americas in the last two decades eventually lead to the foundation of the TUCA-CSA in 2008. This process helped create a common starting point of analysis towards FTAs. Furthermore, according to the CLC, the development of this common analysis resulted in a shared vision within the TUs of the Americas: *“Labour rights cannot be protected within trade agreements that are essentially neoliberal treaties”*<sup>10</sup>.

This shared common vision on FTAs is important when considering the position on the agreements between the EU and South America. *“Even including measures supposedly designed to protect workers and labor rights in trade agreements that are basically neoliberal, is not acceptable and is not enough. This common evaluation is the result of a step by step debate within this multinational and multilateral spaces like the TUCA-CSA”*<sup>11</sup>. It must be noticed that the difficulties managing the asymmetric TU positioning on Nafta, seem to be in a better arrangement today. Remarkably in February 2009, during the State visit of newly elected President Barack Obama to Canada, the CLC and the AFL-CIO signed a joint letter to the Governments of the two countries on how the NAFTA should be renegotiated<sup>12</sup>. The letter not only includes labor measures but also joint statements of the TUs of the two countries on energy policy, procurement policies, and investment policies. According to the CLC representative this is a big step forwards, actually underlining the

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8 The ITUC Regional organization for the Americas (TUCA-CSA) was formed in March 2008 to succeed the *ICFTU Inter American Regional organization of Workers (CIOSL/ORIT)* as the regional organization of the ITUC

9 The IFCTU merged with the World Confederation of Labour (WCL) in October 2006 to form the International Trade Union Confederation (ITUC).

10 Sheila Katz interview on February 9<sup>th</sup>, 2009, by Bruno Ciccaglione

11 *Ibid.*

12 *“On February 19th, the leaders of the United States and Canada met for the first time to discuss a range of important bilateral and global issues. (...) the AFL-CIO and the Canadian Labour Congress (CLC) sent to President Obama and Prime Minister Harper a letter outlining a bold and comprehensive agenda to lay the foundation for a more prosperous North America. The letter urges both countries to work cooperatively to address the current global economic crisis, to review and renegotiate the North American Free Trade Agreement (NAFTA) and to adopt a series of complementary policies necessary to build a strong, fair economy for workers in the United States, Canada and Mexico”* - <http://canadianlabour.ca/en/afl-cio-and-canadian-labour-congress-call-leaders-to-work-together>

importance of good relationships with the AFL-CIO and the shared vision of the need for “a deep review of all of the policies that are totally neoliberal in their identification”<sup>13</sup>.

A major contribution from the CLC strategy facing FTAs, which would influence the strategy used in the Americas in the 90s by many different organizations, far beyond the trade unions, was the promotion of a broad social alliance to challenge the FTA with the US. This was consistent with the understanding that the trade agreement was going to change and impact every aspect of Canadian life. For this reason the CLC was one of the main supporters for the creation of a very broad coalition called Action Canada Network which involved churches, women organizations, development NGOs and environmental groups. This kind of experience was later used as a model for similar coalitions to oppose NAFTA, such as the Alliance for Responsible Trade (ART) in the US and the Mexican Network for Action on Free-Trade. All of these coalitions included trade unions and other social actors, like farmers organizations, environmental organizations, women organizations, NGOs, and also some small employers organizations. Multisectorial alliances at the national level, involving different social actors including trade unions, would cooperate in the NAFTA fight with other multisectorial alliances of the countries involved in the negotiations.

Within the Action Canada Network a sub-group called Common Frontiers was created. While the broader network included Canada based organizations, the Common Frontiers group included unions, development organizations, environmental groups and the churches that had partners in Latin America and Mexico in particular. Furthermore, the Action Canada Network no longer exists, but the Common Frontiers group does. It has become the formal representative of English speaking Canada in the Hemispheric Social Alliance (Alianza Social Continental in Spanish), which is one of the major developments of the CLC experience since 1998<sup>14</sup>.

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13 Sheila Katz interview on February 9<sup>th</sup>, 2009, by Bruno Ciccaglione

14 According to the CLC National Representative for the Americas Sheila Katz, a decisive contribution to the formation of the Hemispheric Social Alliance was the affiliation of the CUT Brazil to the Orit-ICFTU: “*Their affiliation into the ORIT/IFCTU was extremely important, because they were able to generate a whole series of policies, programs and initiatives that probably would not have been accepted without their presence in that organization. I am speaking especially of the formation of the Hemispheric Social Alliance and also the World Social Forum for that matter*”. Sheila Katz, Interview on February 9th, 2009, by Bruno Ciccaglione

## 2.2 The AFL- CIO<sup>15</sup>

When the negotiations on NAFTA started in the early 90s, the AFL-CIO's approach to it can be described as on the one hand pragmatic, on the other as defensive. The choice of FTAs as a key instrument of trade policy did not correspond with the Federation's idea of a good way to regulate trade, especially with "developing countries"<sup>16</sup>. At the same time the labor movement faced the political difficulty of challenging the determination of the government to go ahead with free trade agreements. For this reason the decision was not to challenge the FTAs as such, but to try to ensure that workers rights and environmental standards were included as binding conditions in trade agreements. As explained by Thea Lee, AFL-CIO Policy Director, *"It is true that FTAs themselves are not progressive instruments. In general we have never been supportive of FTAs and have never been arguing for the negotiation of new ones. The fact is we don't have enough political force to stop them all together, in most cases. Sometimes we can slow them down, sometimes we can shake them a little bit. But in general, in the past we have not had enough political leverage to be able to take them down all together. As I started out saying, struggling to have social clauses within the FTAs is a defensive instrument. We are actually working at some of the other provisions of the FTAs, like the investment chapter, the intellectual property chapter and the government procurement, the services chapter and probably the agriculture chapter as well. We have a much broader critique of the FTAs, but I guess we have taken a very pragmatic approach which is: if we can not stop them, the least we can do is to ensure that we get something good out of it for workers"*<sup>17</sup>.

To include workers rights and environmental standards within trade agreements was something already experienced by the labor movement in the USA since the successful campaigns that in 1984 succeeded in including worker rights conditionalities in the Generalized System of Preferences (GSP)<sup>18</sup>, the unilateral preference program that the US

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15 *"The American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) is a voluntary federation of 56 national and international labor unions. The AFL-CIO union movement represents 11 million members, including 2.5 million members in Working America, its new community affiliate"* - <http://www.aflcio.org/aboutus/thisistheafclcio/> .

In 2005 seven unions representing around 6 millions workers decided to quit the AFL-CIO and create the *Change to Win* movement. Info on: <http://www.changetowin.org/>

16 We already suggested that this critique on FTAs was more problematic in the case of the Canada-USA FTA.

17 Thea Lee, Interview on March 16th, 2009, by Bruno Ciccaglione

18 *"The U.S. Generalized System of Preferences (GSP), a program designed to promote economic growth in the developing world, provides preferential duty-free entry for about 4,900 products from 132 designated*



uses for developing countries. Indeed since 1984, in order to be eligible for the trade benefits provided by the GSP, countries needed to adopt—or be taking steps to adopt—internationally recognized labor standards. The process started including coordinated work between the unions of the developing country with US unions, preparing reviews and filing cases under the GSP annually, when there happened egregious abuses of workers rights. According to the AFL-CIO this did put external pressure on various governments, which – though apparently less affected by pressure from the International Labour Organization (ILO) – proved to be more reactive to the risk of losing the trade benefits provided under the GSP: *“In Central America (...) a lot of Central American Unions would say that in the ten years preceding the Central American Free Trade Agreement almost every major labor law reform that happened was a result of an AFL-CIO petition under the GSP. (...) The same thing happened with Bangladesh, working close with the unions there around the export processing zones, because the government in 1991 set up export processing zones and banned unions. We started filing cases under the GSP and, although slowly, this started to produce some change. The government actually has allowed workers associations to be formed, it's the beginning of a movement to form free unions”*<sup>19</sup>.

Starting from this background experience, the challenge of NAFTA was approached by trying to include labor and environmental standards in the agreement. But the struggle was not successful. The only result were some side agreements, whose results were “frustrating”, the AFL-CIO representatives argue, and this increased the determination to push – in all of the other FTAs negotiations following the NAFTA –to have strong commitments on labor rights included into trade agreements, and to gain the ability to use possible trade sanctions in case of violation of the labor rights<sup>20</sup>.

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*beneficiary countries and territories. The GSP program was instituted on Jan. 1, 1976, and authorized under the Trade Act of 1974 for a 10-year period. The GSP Program is currently authorized through December 31, 2009” - [http://www.ustr.gov/Trade\\_Development/Preference\\_Programs/GSP/Section\\_Index.html](http://www.ustr.gov/Trade_Development/Preference_Programs/GSP/Section_Index.html)*

19 Thea Lee Interview on March 16th, 2009, by Bruno Ciccaglione

20 This struggle produced some results in the negotiations of the bilateral FTA with Jordan and Cambodia, which are considered quite advanced examples of binding labor regulations included within bilateral FTAs negotiated by the USA. See also *Protecting Labor Rights through Trade Agreements* - Sandra Polansky - *Journal of International Law and Policy*, July 14, 2004 - <http://www.carnegieendowment.org/pdf/files/2004-07-polaski-JILP.pdf> . According to the AFL-CIO Thea Lee, the most advanced example of including Labor and Environmental standards in trade agreements has been the USA-Peru FTA, see the next chapters.

The AFL-CIO gives a positive evaluation of the results obtained in specific bilateral negotiations like in the Peru FTA, which includes *“a commitment for both parties to the agreement, including the United States, to adopt, maintain, and enforce in law and in practice the ILO core labor standards as outlined in the Declaration of the Fundamental Principles and Rights at Work”*<sup>21</sup>. (...) *These commitments are subject to the same dispute settlement mechanisms as all the commercial provisions in the agreement”*<sup>22</sup>. Nevertheless the AFL-CIO representatives suggest that this success should not be overestimated. They argue that only the multilateral level, like the WTO, would be the proper venue for discussing trade policies and their link to labor rights or environmental standards. In that context, the AFL-CIO bitterly admits, *“we are still not allowed to use the `L` word: Labor”*<sup>23</sup>.

The AFL-CIO approach to coalition building, both at the national level (with different kinds of social movements) and at the transnational level (both with unions and other national coalitions) seems to have gradually evolved over the years. After the difficulties with speaking a common language with the Canadian coalition opposing the US-Canada FTA, when facing the NAFTA the AFL-CIO started to participate in national coalitions in the US. *“The early coalition building was a little bit uncomfortable. For instance labor and environmental groups were not used to work together at that time. A lot of the unions saw the environmentalists as some kind of elite “hippie types” and the environmental groups saw the unions as kind of selfish blue collar workers that they had nothing in common with”*<sup>24</sup>. The process took some time and part of the challenge was to find a language that worked for everybody, and was able to incorporate each other’s main concerns in the common arguments. Nevertheless this experience evolved over the years and was the basis for further development, since according to the AFL-CIO, some of the early relationships built on

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21 Adopted in 1998, the Declaration commits Member States to respect and promote principles and rights in four categories, whether or not they have ratified the relevant Conventions. These categories are: freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation. To read the text of the Declaration see <http://www.ilo.org/declaration/thedeclaration/textdeclaration/lang--en/index.htm>

22 Thea Lee, Interview on March 16th, 2009, by Bruno Ciccaglione

23 *Ibid.*

24 To make things even more complicated was that *“on NAFTA for example some environmental groups ended up supporting NAFTA. I would say there were corporate supported environmental groups that bought the argument that the NAFTA could be a good thing, that the environmental side agreement was really going to help them and so on. What was interesting was that about five years after NAFTA had been in place, most of these environmental groups came over to our side”* - Thea Lee, Interview by Bruno Ciccaglione

the trade front between labor and environmental groups have contributed to what the AFL-CIO considers now a *“very strong relationship on clean energy”*.

### **2.3 Mexican Trade Unions and more**

As we already mentioned, when the NAFTA negotiations started in 1991, in Mexico the scene was still dominated by corporatist trade-unionism, closely linked to the government, at the time under the control of the PRI (Institutional Revolutionary Party)<sup>25</sup>. This explicit support for the decision of the government to sign, implement and to keep on supporting the NAFTA, continued even when, for the first time after 70 years, the PRI was defeated in an election by the PAN (National Action Party) in 2000. Only a minority of the trade union movement opposed the NAFTA at the beginning and that minority included some independent unions like the Frente Autentico del Trabajo (FAT) and the Electric Workers Union .

The position of the official trade unions on NAFTA also supported what was defined as the *“two faces strategy”* of the government: on the one hand supporting an unconditional opening of the markets that was going to allow the *“sell out”* of most of the resources of the country, but on the other hand strictly defending *“national sovereignty”* when it came to labour standards, stating that only the Mexican government was allowed to rule on those issues. At this stage these positions implied an open contrast with the trade unions of Canada and the US, which they accused of conducting protectionist policies for the sake of their own workers and to the disadvantage of the Mexican workers.

According to the analyst of the Labor Analysis Center and Trade Union Department in Mexico<sup>26</sup>, Hector De La Cueva<sup>27</sup>, *“We were facing this argument that was aiming to divide the workers of the North and the workers of the South. So we started to build a different*

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25 The CTM (Confederación de Trabajadores de México – Confederation of the Workers of Mexico) *“in 1946 joined in forming the newly formed PRI, the successor party of the PRM, becoming once again one of its constituent parts. As the formal division between the PRI and the state was blurred, the boundaries between the CTM and the party and the state likewise became harder to distinguish”* - La Botz, Dan, *The Crisis in Mexican Labor*, New York: Praeger, 1988.

26 The Labor Analysis Center and Trade Union Department in Mexico (Centro de Investigación Laboral y Asesoría Sindical en México) is a founding member of the Mexican network Action Facing Free-Trade (Acción frente al Libre Comercio) and of the Hemispheric Social Alliance (Alianza Social Continental).

27 Hector de La Cueva is director of the the Labor Analysis Center and Trade Union Department in Mexico (Centro de Investigación Laboral y Asesoría Sindical en México). He was the first General Secretary of the Hemispheric Social Alliance.

*approach, a different logic. We realised that the free-trade agreements are also an international blackmailing instrument: the workers of the North are blackmailed with the argument that they have to accept to reduce their labor and living standards if they want to prevent the re-localisation of the production to Mexico or in another country. The workers of the South, of Mexico or any other third world country, are blackmailed as well, with the argument that they have to accept to maintain their miserable conditions of life or these new jobs will never arrive. It's a transnational blackmailing against both the workers in the north and the workers in the South, to reduce the standards in the north and to keep as a 'competitive advantage' the miserable conditions in the South. Today this is even worse because the competition is no longer only a north-south competition, but also a South-South competition to the bottom. At that moment, anyhow, there was only the competition between North and South, the first and the third world, with this multiple blackmailing. We realized that the only way to break this transnational blackmailing was to link the workers of the north and the workers of the south trying to develop common demands"<sup>28</sup>.*

What happened was that within the independent labor movement which included the Frente Autentico del Trabajo, the Electric Workers Union and others which were out of the corporatist framework, started to develop a policy based on wide social alliances to face the risks and the threats of the free-trade agreement. On the model of what was already done by the CLC for the US-Canada FTA, in Mexico a multisectorial alliance which included trade unions, farmers organizations, environmentalist organizations, women organizations, NGOs etc was created. This multisectorial alliance also included some small employers organizations, like the ANIT (National Association of the Transformation Industry), whose members are small and medium entrepreneurs. So the experience started immediately in a transnational dimension, with links between similar networks in Canada and the US, each one including trade unions. The argument was clear: *"For sure you can have protectionist intentions within the trade unions of the North, masked under a defence of the South but only addressed to prevent the transfer of productions in the South, under protectionist mentality and with some imperial elements. Nevertheless we, the workers of the South, have to question: we want to improve our living and working conditions, our wages: is there anything wrong if the Canadian and US American trade unions declare they want to improve*

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28 Hector De La Cueva, Interview on January 27th, 2009, by Bruno Ciccaglione

*the labour conditions in Mexico? No, not at all. Maybe this will help them to defend their workers but it also helps us. If we establish a strategy of a race to the top, instead of a race to the bottom, of the labour standards in a way that this can benefit the workers of the North but also of the South, that's good. But to do this you need a transnational strategy, an international strategy to preserve labour rights on the one hand and to improve them on the other. That's the only way to break the blackmailing of the transnational companies”<sup>29</sup>.*

After NAFTA was approved and in the years following its implementation in 1994, many things happened in Mexico to impact the whole society and the trade union movement as well: the explosion of the financial crisis of 1994-5, the Zapatistas uprising, the fall of the PRI from the government. Most of the bureaucratic apparatus of the corrupted big confederations faced a crisis too. There was a growth of the independent trade union movement, important trade unions like the Telephone Workers Union and the Social Insurance Workers Union quit the official confederations and joined organizations like the UNT (National Union of the Workers). The Electricity Workers Trade Union guided a re-organization of the trade union movement from which later the National Trade Union Front emerged. This also had an impact on union’s positions on free trade agreements, especially in the campaigns that brought to defeat the FTAA (Free Trade Agreement of the Americas – Area de Libre Comercio de las Americas, ALCA).

## **2.4 The CUT Brazil**

The CUT Brazil is the biggest national union center in Brazil and in Latin America and the 5th largest in the world<sup>30</sup>. In the last decades the CUT faced various parallel dynamics connected with trade. One of them is the MERCOSUR. Since the first agreement between Argentina and Brazil, signed by the two Presidents Alfonsin and Sarney in 1991, which developed into the

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29 Hector De La Cueva, Interview on January 27th, 2009, by Bruno Ciccaglione

30 *“Present in all economic sectors of the country, the CUT is the biggest national central in Brazil and in Latin America and the 5th largest in the world, with 3,299 affiliated entities, 7,116,278 associated workers and 21,092,160 workers in the base”*. The Central Unica dos Trabalhadores was founded in 1983, a couple of years before the end of the military dictatorship began in 1964. *“A broad process to restructure society began at the end of the seventies and continued in the mid-eighties. At the same time, the dictatorship weakened and the reorganization of many sectors of civil society allowed them to begin to express themselves publicly, initiating the process of redemocratization in the country”* - <http://www.cut.org.br/content/view/2883/289/1/1/> .

creation of the MERCOSUR <sup>31</sup> in 1994, this was a key issue for the CUT. Moreover, the creation of the MERCOSUR would prevent bilateral FTAs for Brazil, which formally only affected Brazil as a member of the MERCOSUR. For these reasons since the beginning the CUT faced the creation of such a common market with an international approach, using as a starting point the already existing coordination of the CONOSUR Trade Union Confederations. This coordination was born in 1986 as a common tool on the issue of the external debt and to build solidarity between the TUs of countries like Chile and Paraguay - still suffering military dictatorships – and those of countries (Brazil and Argentina) that were in the middle of a process of re-democratization. With the discussion and then the implementation of the MERCOSUR, this coordination became almost exclusively dedicated to this issue. It must be noted that - according to the CUT representative Kield Jacobsen <sup>32</sup> - the stronger neoliberal approach of the MERCOSUR was still to come, and the focus was not so trade-centered. The CUT, within the CONOSUR coordination, decided to push for three main demands: (1) the creation of a “Labor Charter” within the agreement, much wider than a “social clause” debated at the multilateral level in the GATT (and later on in the WTO) and not only based on “basic labor rights”, but including issues like migration and social security; (2) the establishment of some financial funds, on a model similar to the EU provisions, in order to support the productive restructuring and the changes in the economies and the professional qualification of workers; (3) the democratization of the MERCOSUR decision making process, that was originally designed to give almost any decision to the heads of the governments, in order to involve other political institutions (the Parliaments and even local municipalities).

Not all of these demands were successfully included in the MERCOSUR, or they took a long time to be accepted. It was only in 1998 that the “Labor Charter” was finally transposed into a Social Labor Protocol signed by the four governments of the MERCOSUR. The funds created never exactly corresponded to the TUs demands. The demand for a democratization of the

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31 Argentina, Brazil, Paraguay and Uruguay on March 26<sup>th</sup>, 1991, signed the Asuncion Treaty which created the Common Market of the South, MERCOSUR.

<http://www.mercosur.int/msweb/portal%20intermediario/es/index.htm>

32 Kield Jacobsen has been Secretary for the International Relationships of the CUT Brazil and General Secretary of the Hemispheric Social Alliance. Now he works also for the Social Observatory, created by the CUT in order to monitor the concrete violations of labor and social rights provided by trade agreements.

process produced some results but not as many as the TUs claimed were necessary<sup>33</sup>. What is important to underline here, is that even in a process that was not considered fully as a neoliberal one, and that was not only centered on a trade agenda, the CUT chose to approach it from the beginning with an international perspective, with common demands of the CONOSUR TUs, and demanding a range of provisions much wider than a social clause<sup>34</sup>.

At the multilateral level (GATT and WTO), when the discussion focused on the possibility to include a social clause into the agreements, the CUT *“adopted a position that is in favor of a social clause but under some conditions: the social clause for instance had not to be used as a protectionist tool, but most important was to define who was going to decide whether in a single country the basic labor provisions were violated or not, and what consequences this would have”*<sup>35</sup>. The clear distrust against the GATT institutions as the right actor to monitor the labor provisions and doubts about the capacity of the ILO, brought the CUT to promote the creation of a Social Observatory Institute<sup>36</sup> which aimed at concretely assessing the real dimension of the labor rights violations.

One major challenge for the social movements and the TUs of the Americas came when US President Bill Clinton launched the proposal for a Free Trade Area of the Americas (FTAA)<sup>37</sup>. In this case *“many trade unions in the continent planned the same strategy used with other FTAs: struggling to have a social clause within the trade agreement in order to defend the labor rights. This was not the position of the CUT. In this case we always said that the agreement itself would be very negative for the economy and for the development of our country, with or without a social clause. In other words, we claimed there was the need to refuse this negotiation. The strategy of the CUT on the FTAA was that of the refusal of the*

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33 For instance, a network of municipalities was created, called MERCOCIUDADES (MercoTowns), that tries to defend the interest of the municipalities that can be affected by the MERCOSUR. This network has an institutional space to participate and debate.

34 Remarkably Mercosur is negotiating a FTA with the EU. We will discuss about strategies and evolution of this negotiations in the second part of this report.

35 Kield Jacobsen, Interview on March 3rd, 2009, by Bruno Ciccaglione

36 *“The Social Observatory Institute is an organization that analyses and monitors the behavior of transnational, national and public companies about basic worker rights. These rights are mostly secured by the ILO Conventions on freedom of association, collective bargaining, child labor, forced labor, gender discrimination and racial discrimination, environmental rights, health rights and safety for workers”* - <http://www.observatoriosocial.org.br/portal/content/view/6/31/index.php?option=content&task=view&id=6&Itemid=31>

37 The preparatory process for the FTAs started in 1994 and it was formally launched in 1998 at the Second Summit of the Americas, in Santiago, Chile. - [http://www.ftaa-alca.org/View\\_e.asp](http://www.ftaa-alca.org/View_e.asp)

*agreement: what could we do to prevent that such an agreement was signed? That was our line. If you think that an agreement is negative anyhow, as was the case of FTAA, even for the other TUs of the continent, it is risky to tactically only work on the social clause issue. What if all of the governments would accept to have this social clause within the FTAA?"<sup>38</sup>*

We will analyze the different strategies of TUs in more detail in the second part of this report. Here we want to underline that, as already suggested, the CUT Brazil played a key role in the creation of the Hemispheric Social Alliance<sup>39</sup>, whose main focus from the beginning was to coordinate the struggles against the FTAA's.

### **3. Trade Union Instruments and strategies to face FTAs: achievements and problems**

To consider the instruments and strategies used by the TUs we must consider the political dynamic and context and its evolution in the last decades. After NAFTA went into effect in 1994, the U.S. started to negotiate several other FTAs with Latin American countries. After first discussions on the FTAA at the Miami summit in 1994, negotiations on the Free Trade Area of the Americas (FTAA), an extension of the NAFTA to all of the countries of the Americas (excluding Cuba), were launched in 1998 and immediately found strong opposition that included many trade unions. The FTAA project finally collapsed after the failure of the heads of states summit held in Mar del Plata, Argentina, in November 2005, following years of mobilization by a large coalition of social movements and trade unions across the whole continent. Although 26 of the 34 governments present at the Mar del Plata negotiations pledged to meet again in 2006 to resume negotiations, no such meeting took place.

Another framework modification of the last decades is the increased negotiations by Central and Latin American Countries and/or areas with the EU. It would however be impossible in our short report to analyze these negotiations in detail, since it would also need a deeper analysis of the EU TUs strategies and positions.

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38 Kield Jacobsen, Interview on March 3rd, 2009, by Bruno Ciccaglione

39 The Hemispheric Social Alliance was created in 1997. For details and members see information at <http://www.asc-hsa.org/>



To face the challenge posed by the FTAs as part of the neoliberal policies in the political context we briefly described, the trade union movement in the Americas developed a set of tools and strategies, sometimes used separately, sometimes together. Most of the time a combination of different elements was used and it would be hard to consider the effectiveness of each element outside of the framework and specific combination designed each time both within national borders and transnationally. The different elements we will consider are: the demand for transparency and participation in the negotiations; the demand for social clauses within FTAs and the connected lobbying campaigns; the building of cross border alliances with other TUs; the building of alliances outside of the TU movement with other social movements; and, the mobilizations and attempts to promote and develop a vision for a new trading system.

### **3.1 Participation in negotiations**

The first and unanimous demand from the labor movements facing any FTA in the Americas was to obtain transparency and participation in the negotiations. This was consistent with the tripartite model of social relationships, but was also a general demand for the labor movement and for others social movements. According to Gonzalo Berron, Regional Integration Advocate of the Trade Unions Confederation of the Americas (TUCA-CSA), *“Many trade unions demanding transparency and participation in the negotiations thought that this could offer the possibility to affect the contents of the agreements, others did not believe that this was really possible. After some experiences most of the trade unions had to realize that mere participation was not going to produce any positive effect for workers”*<sup>40</sup>. To participate in the negotiations would in any event allow better access to information and a better possibility to pressure governments in the political realm and it has always been a common demand when facing negotiations. This issue is nevertheless always conditioned by political strategies of the governments. The different approaches of the Lula government of Brazil are noteworthy: on the one hand in the FTAA negotiation, a wide spectrum of social movements was allowed to participate as observers in the negotiations; on the other hand in the negotiations between MERCOSUR and the EU, the same movements were not allowed to participate. According to the CUT representative Kield Jacobsen, the government allowed movements to participate in the FTAA negotiations because this offered the Brazilian government the opportunity to justify the difficulty it would have gaining approval for the

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40 Gonzalo Berron, Interview on March 15th, 2009, by Bruno Ciccaglione

agreement—an agreement the Lula government did not want. But the desire to gain an agreement with the EU that would grant access to the European market for Brazilian agricultural products, argues the CUT representative, led Lula to refuse the participation of these same social movements in the negotiations with the EU because it could compromise the desired result.

### 3.2 Social clauses

The idea to include provisions to protect worker rights in trade agreements is very controversial. Inside and outside the labor movement and in many negotiations different approaches were finally taken. At the multilateral level, that is to say in the WTO, strong opposition to the inclusion of social clauses came from different directions as a consequence of different visions<sup>41</sup>. The main argument against a social clause is nevertheless ideological and based on the idea that labor rights are non trade issues and should not be allowed to “contaminate” trade rules<sup>42</sup>. UN Secretary General Kofi Annan seconded this point of view<sup>43</sup> in 1999. Most of the trade unions, on the contrary, have always argued that it would be important to have a binding `social clause` in the WTO<sup>44</sup>.

If at the multilateral level the discussion never achieved any inclusion of labor rights protections in the WTO, a series of bilateral and regional free trade agreements have included labor provisions, although with different approaches on how to link labor rights and trade. The US has many FTAs with labor standards conditionalities; Canada includes labor rights obligations in side agreements to its FTAs; Brazil, Argentina, Uruguay and Paraguay have included labor commitments and institutions as part of the architecture of the

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41 The critique of protectionist motives aiming to maintain competitive advantages or privileged positions for the northern countries was often joined by neoliberal analysts. See the statement by the notorious pro-free trade economist Jagdish Bhagwati and 98 other intellectualst: “*Third World Intellectuals and NGOs Statement against Linkage*” published in 1999 - <http://www2.bc.edu/~anderson/twin-sal12.pdf>

42 “*The developing countries, looking at the Social Clause for instance, cannot but regard it as having therefore been contaminated by the selectivity imposed by the rich nations*” - Joint Statement on the Global Compact proposed by the Secretary-General of the United Nations, July 5, 1999 - [http://www.ppionline.org/ppi\\_ci.cfm?knlgAreaID=108&subsecID=128&contentID=649](http://www.ppionline.org/ppi_ci.cfm?knlgAreaID=108&subsecID=128&contentID=649)

43 “*The rules-based multilateral trading system was not designed to address these non-trade issues [meaning labor rights, human rights, and environmental protection]. To call on it to do so would expose the trading system to great strain and the risk of increasing protectionism while failing to produce the desired results*” - Joint Statement on the Global Compact proposed by the Secretary-General of the United Nations, July 5, 1999 - [http://www.ppionline.org/ppi\\_ci.cfm?knlgAreaID=108&subsecID=128&contentID=649](http://www.ppionline.org/ppi_ci.cfm?knlgAreaID=108&subsecID=128&contentID=649)

44 Both in the labor movement and in social movements worldwide, this is not unanimously accepted. Even considering the multilateral framework as the appropriate venue where labor and social standards should be debated and promoted, many have a more radical approach to the WTO, considering the latter institution not as the right and legitimate place for this discussion.

MERCOSUR<sup>45</sup>. But this does not mean that labor rights have been successfully protected. Indeed, the provisions of the different agreements can be substantially different in terms of the obligations that are undertaken by the parties in such agreements (which labor rights are to be protected) and of the enforcement mechanisms that are created to encourage or to penalize parties that fail to carry out their commitments. As we already commented, trade unions of the Americas mostly used the demand to include social clauses within trade agreements as a tool to limit the damages, but never considered this inclusion sufficient to approve a FTA.

The US signed and/or is negotiating a number of bilateral FTAs<sup>46</sup> and they include a range of different approaches about the inclusion of labor standards. The AFL-CIO generally demanded the inclusion of the “ILO core labor standards” indicated in the Declaration on Fundamental Principles and Rights at Work of 1998<sup>47</sup>, which include freedom of association, the right to collective bargaining, the elimination of forced labor, the abolition of the worst forms of child labor and the elimination of discrimination in the workplace.

In the case of NAFTA, for instance, the demand to have social clauses in the agreement, mostly used tactically by the US TUs, only produced a labor side agreement, the North American Agreement on Labor Cooperation (NAALC), which never produced any results in any case of labor rights violation in 15 years. *“Within the NAFTA the government of Mexico was found to have repeatedly violated its own labor laws with respect to the freedom of*

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45 For a wide comparison of the different approaches in including labor rights in FTAs see: *“Protecting Labor Rights Through Trade Agreements: An Analytical Guide*, Sandra Polasky, *Journal of International Law and Policy*, July 14, 2004 - <http://www.carnegieendowment.org/pdf/files/2004-07-polaski-JILP.pdf>

46 Currently the US has bilateral trade agreements in effect with: Australia, Bahrain, Chile, Colombia, Israel, Jordan, KORUS, Malaysia, Morocco, Oman, Panama, Peru, Singapore, SACU. [http://www.ustr.gov/Trade\\_Agreements/Section\\_Index.html](http://www.ustr.gov/Trade_Agreements/Section_Index.html)

47 This ILO Declaration is controversial. Even within the ILO some strong critics arose. See *“The ILO: an Agency for Globalization?”*, Guy Standing, *Development and change* 39(3), 2008, Institute of Social Studies [\[http://www.unhistory.org/pdf/StandingILO.pdf\]](http://www.unhistory.org/pdf/StandingILO.pdf) and *“Shrinking the International Labor Code: an unintended*

*consequence of the 1998 ILO Declaration on Fundamental Principles and Rights at Work?”* - Alston P. and J. Heenan – *International Law and Politics*

[\[http://www.chrgi.org/publications/docs/wp/Alston&Heenan%20Shrinking%20the%20International%20Lab or%20Code.pdf\]](http://www.chrgi.org/publications/docs/wp/Alston&Heenan%20Shrinking%20the%20International%20Lab or%20Code.pdf) . The main arguments to criticize the Declaration are:

- The Declaration's selection of a small number of standards as 'core' and 'fundamental' is inconsistent with the principle that 'social rights' protected under the body of ILO Conventions and Recommendations were part of an interdependent and indivisible whole;
- In place of a 'social clause' in the WTO, which would have been subject to binding arbitration, the Declaration explicitly ruled out trade sanctions for breach of the specified fundamental rights, only subject to monitoring by means that are 'strictly promotional'.

*association and the right of the workers to organize. Even if we would win the case [in the institutions provided by the NAALC] there was no sanction, there was no fine. The only penalty provided was a Ministerial Consultation, what we called a 'ministerial cup of coffee', where the Labor Ministers of the countries sit down together and talk about what's going wrong. But the company [involved in the violations] does not pay a fine, there is no trade sanction and in the end the companies really do not care. And so that is one of the reasons why we fought very hard for stronger sanctions: we want to have a strong commitment on labor rights included in our trade agreements, but we also want the ability to use the strongest possible sanctions in the events that there is the violation of labor rights"<sup>48</sup>.*

Indeed both the NAALC and the Chile-Canada Agreement on Labour Cooperation (CCALC), even though they provide the possibility of dispute settlement and fines in case of failure to protect some labor rights, only referred to some specific ones such as the commitment to enforce child labor, minimum wage and health and safety, but openly excluded any enforcement mechanism for the freedom of association, non-discrimination, forced labor, rights of migrant workers.

But in some cases the result was more concrete. The US-Jordan FTA is generally considered to contain one of the most advanced clauses: *"Since NAFTA was put in place we got stronger language put into the Jordan free-trade agreement at the end of the 1990s and into a bilateral apparel deal with Cambodia, where you had much stronger evidence that the countries would respect the ILO core labor standards (...). The Jordan case was a full bilateral FTA where the labor and environmental provisions were subject to the same exact enforcement mechanisms as their commercial provisions, so there could be the possibility of trade sanctions if there were a violation"*<sup>49</sup>.

### **3.3 Lobbying Campaigns**

The trade unions always had to struggle on two different fronts: first, on the importance of labor and environmental standards in trade; and, second, in the political arena. In the US the Executive Branch negotiates the trade agreements but the Legislative Branch, that is to say the Congress, needs to approve them. According to the AFL-CIO, since trade is not so popular in the US, regardless of which majority was in the Congress, the approval of an FTA

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48 Thea Lee, Interview on March 16th, 2009, by Bruno Ciccaglione

49 Thea Lee, Interview on March 16th, 2009, by Bruno Ciccaglione

has never been easy for any administration, and this gave weight to the critique coming from the labor movement. Even after intense pressure from the Bush administration to have the Central American Free Trade Agreement (CAFTA) approved, it passed the US House by only two votes. When a Democratic majority replaced the Republican one in 2007 in the House and the Senate, the AFL-CIO also pushed for stronger labor and environmental provisions in the remaining FTAs. This mostly had an impact in the Peru FTA, that in the beginning had been strongly opposed by the AFL-CIO<sup>50</sup>. In the US-Peru case Thea Lee argues that finally the legislative battle produced the *“strongest language we've ever gotten and that any government has ever put in place in a FTA, which was a commitment for both parties to the agreement, including the United States, to adopt, maintain, and enforce in law and in practice the ILO core labor standards as outlined in the Declaration of the Fundamental Principles and Rights at Work (...). It is subject to the same dispute settlement mechanisms as all the commercial provisions in the agreement”*<sup>51</sup>.

According to Thea Lee, the main trade battles conducted by the AFL-CIO with the Congress were: the NAFTA, the Fast-Track (Trade Promotion Authority)<sup>52</sup>, the joining of China to the WTO, and the CAFTA. The lobbying campaigns of the AFL-CIO are generally based on regular substantive communication with Members of Congress and their staff, which are provided with material on the labor movement's position on a range of issues. But this basic work is just a part of a lobbying campaign. When a bill is being debated in Congress (which may take a period of a couple of months to a couple of years), the AFL-CIO will send out calls for action to their state and local union bodies, the state federations of labor, the Central Labor Councils, and to their activists at the grassroots, asking them to contact their members of Congress and to pressure them by organizing local activities on the issue. In other words, rather than trying to compete with the rich lobbying campaigns of the business community, which usually rely upon expensive advertisements on TVs or on newspapers, the lobbying campaigns are heavily based on the local activists of the TU. *“This is particularly true in those*

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50 It is noteworthy that in the negotiations the Peruvian President had offered to include the basic labor rights standards from the ILO but the Bush administration rejected this position because apparently the US would have to change some of its own laws to be in compliance. <http://blog.aflcio.org/2006/08/08/bush-pushes-another-bad-trade-deal%E2%80%94this-time-with-peru/>

51 Thea Lee, Interview on March 16th, 2009, by Bruno Ciccaglione

52 The Fast-Track procedure allows the Congress only to approve or to reject a FTA as it had been negotiated by the government, without any possibility to make amendments or adjustments. [http://www.ustr.gov/Document\\_Library/Fact\\_Sheets/2007/Trade\\_Promotion\\_Authority\\_Delivers\\_Jobs\\_Growth\\_Prospersity\\_Security\\_at\\_Home.html](http://www.ustr.gov/Document_Library/Fact_Sheets/2007/Trade_Promotion_Authority_Delivers_Jobs_Growth_Prospersity_Security_at_Home.html)

*States where strong labor coalitions exist, or larger coalitions exist, including other groups, like environmental groups, family farm groups, religious groups, development organizations, immigrant workers groups, sometimes also small business groups that have their own reasons to be concerned about trade agreements. So the coalitions that we have, work often both at the national level but also in every state. There's also some town meetings where you bring some experts to give some more detailed informations of what is the workers situation in Central America and so on... It's like turning up the heat on the members of Congress, making sure that they know what the concern is"<sup>53</sup>. It is noteworthy that lobbying campaigns are mainly focused on elected representatives in the Congress or Senate (often aiming to be re-elected in future elections), in a system where they are directly responsible for the approval or the refusal of FTAs.*

### **3.4 Cross -border Trade Union Alliances**

The natural step for trade unions facing FTAs, especially for bilateral FTAs, is to build a link with the trade unions of the countries involved. We already explained that trying to speak with one voice is not necessarily simple but sometimes quite difficult. The case of NAFTA, where the main trade union confederations of Mexico were unconditionally supportive of the Mexican government promoting the NAFTA, is the first and most serious case of such problems. Trying to build a common discourse is always challenging especially when labor movements of a country are closely allied with the government. According to the AFL-CIO's Thea Lee *"one of the things you have to do is respect the politics and the constituencies of the different organizations"*<sup>54</sup>. In the case of NAFTA *"it was frustrating to us dealing with the Mexican unions (...) because (...) they were supporting NAFTA. We worked with some smaller independent unions like the Frente Autentico del Trabajo (FAT), but it was tiny, and we could not really argue that the friends of the FAT were representing the workers of Mexico. So that was often in front of our face: the Mexican unions think NAFTA is a good idea, who were you to tell them that it is not going to be good for them? That is the challenge. So we would have to work ten times as far, to say that our critique was not because we hate Mexicans or because we do not want Mexico to have good jobs, get richer or to develop. We had to say that we do not think that NAFTA is going to be the right tool to help Mexico develop. But it did sound a little bit like 'We are in the US and know better than the Mexicans'. That is never*

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53 Thea Lee, Interview on March 16th, 2009, by Bruno Ciccaglione

54 Thea Lee, Interview on March 16th, 2009, by Bruno Ciccaglione

*the situations you want to be in*<sup>55</sup>. In other negotiations promoted by the US government, like the Chile and Singapore FTAs, the unions in both of these countries chose to support the FTA because they seemed to trust their government's suggestion that this would create economic opportunities. In these cases the attempts to speak a common language only produced some joint statements between US unions and Chilean and Singapore unions, underlining the concerns that the labor movements were sharing, whether they were supporting or opposing to the agreement: *"What we would do was to come up with a declaration on labor standards and maybe on the investment chapter that was more targeted, even if we did not take the same position on the FTA"*<sup>56</sup>.

An interesting approach to go beyond this problem, born with the NAFTA campaigns and later used in the CAFTA and the FTAA campaigns, was to start organizing transnational meetings of workers and trade unions, without waiting to have similar conditions and engagement of the official trade union movements in the different countries. As explained by Hector De La Cueva (The Labor Analysis Center and Trade Union Department in Mexico - Centro de Investigación Laboral y Asesoría Sindical en México), *"We started to create links and concrete connections with single trade unions, regardless of the formal participation of the confederations, promoting transnational exchanges of trade unions from the three countries. Starting in 1991, for instance, we promoted with CLC and AFL-CIO tri-national meetings of the automotive industry trade unions. We did that in Mexico, in Canada, in the US, allowing workers of General Motors, of Ford, of the three countries, to meet each other and define common strategies and solidarity building. We also promoted tri-national meetings of the communication workers, education workers and so on. In some cases there was the direct participation of the trade unions of the sector, in other cases there were just local sections of the trade unions or independent committees of the workers. We wanted to stimulate the articulation and the contact in the three countries. This worked and was a concrete path that helped, regardless of the bureaucracy of the trade unions, to define common answers to the challenges we faced"*<sup>57</sup>.

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55 *Ibid.*

56 *Ibid.*

57 Hector De La Cueva, Interview on January 27th, 2009, by Bruno Ciccaglione

In other words the approach has often been on two levels: on the one hand the trade unions top officials were trying to develop a common discourse, on the other hand this was often accompanied by the attempt to build an alliance at the basic level of workers and local representatives.

### 3.5 Building alliances with other social movements

Since FTAs often cover a range of different issues like agricultural products, services, intellectual property rights, investment rules, and migration, trade unions are not the only actors monitoring and often opposing the negotiations or the treaties. As already mentioned, with the major contribution of the Canadian Labor Congress, trade unions in the 90s started implementing strategies to promote broad social alliances to challenge the FTAs. This was consistent with the understanding that the trade agreement was going to change and impact every aspect of social life. Experiences like the Action Canada Network (ACN) and then Common Frontiers in Canada (<http://www.commonfrontiers.ca/>), the Alliance for Responsible Trade (ART, <http://www.art-us.org/>) in the US, the Mexican Network for Action on Free Trade in Mexico (<http://www.rmalc.org.mx/index.shtml>), the Brazilian Network for the Integration of Peoples (REBRIP, <http://www.rebrip.org.br/rebrip/>), were all going in this same direction: coalition building involving women organizations, development NGOs and environmental groups, trade unions, farmers organizations, religious groups and also some small employers organizations. Multisectorial alliances at the national level, involving different social actors including trade unions, would cooperate with other multisectorial alliances of the other countries involved in the FTAs negotiations. When the proposal for the Free Trade Area of the Americas was launched, going beyond the forms of collaboration already experienced between social movements of different countries, most of these national networks, with an important contribution from the labor movements<sup>58</sup>, decided to form the Hemispheric Social Alliance (HSA)<sup>59</sup>. The reasons for this alliance are evident, as

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58 As already mentioned, according to Sheil Katz of the Canadian Labor Congress, the affiliation of the CUT Brasil to the ORIT was a key factor to move in this direction.

59 The first step for the creation of the HSA came with the document signed in Belo Horizonte, Brasil, 1997. The opening paragraph of the document is: *"BUILDING A HEMISPHERIC SOCIAL ALLIANCE TO CONFRONT FREE TRADE - On the occasion of the Third Trade Union Summit, held parallel the Trade Ministers' Meeting on the Free Trade Area of the Americas (FTAA) in Belo Horizonte, Brazil from 12 to 13 May 1997, representatives of the trade-union organizations of the Americas, affiliated and fraternal organizations of the ORIT/ICFTU and a number of important social organizations have had the opportunity to share our respective work on the social dimension of economic integration"* ([http://www.developmentgap.org/americas/Building\\_a\\_Hemispheric\\_Social\\_Alliance.htm](http://www.developmentgap.org/americas/Building_a_Hemispheric_Social_Alliance.htm)). To know the members of the HSA see on <http://www.asc-hsa.org/node/369>.



explained in the document *“Building a Hemispheric Social Alliance in the Americas”* presented in 1999: *“Over the past two decades, the economies of North, South and Central America have steadily integrated. Free trade agreements have been vigorously pursued by governments and business leaders, with little input from us, the people of this hemisphere. Economic integration of our region has been catastrophic for us all. Our economies are now wide open to foreign private investment and private corporations have new rights to cherry pick the attractive investments. Meanwhile, our rights and protections as citizens have been dramatically eroded. (...) This new economic model, sometimes referred to as ‘neo-liberalism’ or ‘corporate rule’, is undemocratic and exclusionary. It promotes free trade agreements that deny citizens the right to participate in key economic and social policy decisions. And it allows corporations to walk away from the economic and environmental disasters they create. The results have made clear that we need to take leadership by building an alternative development model and countervailing social force”*<sup>60</sup>. Karen Hansen Kuhn – former representative of the Alliance for Responsible Trade, USA, commented at that time, *“Our only hope for changing the rules of the game on globalization is to build a peoples’ movement for just and sustainable trade and development. The Hemispheric Social Alliance is a big step in that direction. The Alliance will help us to make connections among peoples, issues and campaigns, not just to inform ourselves but to act in a united way”*<sup>61</sup>.

The ambition and the complexity of the project is evident, given the range and diversity of the groups involved. Nevertheless, according to Hector De La Cueva (the Mexican Action Network on Free Trade (RMALC) and former first Secretary of the HSA), *“it represents the only road to creating a true counterweight to modify, influence or at least curb the anti-democratic agenda and social exclusion of our governments”*<sup>62</sup>.

Not all of the labor and social movements of the Americas became members of the alliance, and each member still participates with different perspectives, visions and intensity. But it must be noticed that the HSA made a major contribution to coordinating the continental struggle against the Free Trade Area of the Americas. The FTAA project finally collapsed after the failure of the heads of states summit held in Mar del Plata, Argentina, in November 2005, following years of mobilization by a large coalition of social movements and trade

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60 <http://www.web.net/comfront/cfhems.htm>

61 See <http://www.web.net/comfront/hems2.htm>

62 *Ibid.*

unions, the HSA having a key role in these mobilizations. As explained by CUT Brazil representative Kield Jacobsen *“The strategy of the CUT on the FTAA was that of the refusal of the agreement: what can we do to prevent that such agreement is signed? That was our line. On this position we also looked for alliances out of the trade union movement. That’s how the Hemispheric Social Alliance was born, on the initiative of the CUT that we debated with other TUs, starting from the Canadian Labour Congress, to the AFL-CIO and later the ORIT itself, and other social movement allies as the Chile Network Facing Free Trade, the Mexican network Action Facing Free-Trade. It was hard to do this battle at the beginning, but then when some progressive governments came, like the Chavez and the Lula Government, we succeeded in blocking the negotiation process of the FTAA. We succeeded persuading these governments to adopt the same strategy that was used by the US government: asking for a “good agreement for their countries”, would be equivalent to have an agreement that would be unacceptable for the US. This went on till the final and definitive closure of the negotiations”*<sup>63</sup>. It must also be noted that the success could not be achieved solely with an international mobilization. Kield Jacobsen argues that *“In this alliance everything was involved, including very big and representative organizations of farmers, of indigenous population and trade unions. It was an international alliance, but clearly to be effective much was depending on the ability of the various organizations to be effective at their national level”*<sup>64</sup>. This took place in most of the nations of the continent.

### **3.6 Mobilization**

As we have already noted, one of the most important mobilization campaigns in recent years in the Americas was the one opposing the FTAA. Following a period where a combination of different strategies was used by different social actors (demanding participation in negotiations, social clauses, coalition building and so on), according to Gonzalo Berron, Trade Union Confederation of the Americas representative and former Secretary of the HSA, *“When in 2001 the labor movements decided to say a clear NO to the FTAA, this meant to implement a mobilization strategy rather than a combination of different tactics. The TUs were frustrated after the first years of negotiations and started to organize parallel meetings with other social movements and at some stage, after years trying to demand things that never were accepted, we formally took this decision to take another direction. This opened*

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63 Kield Jacobsen, Interview on March 3rd, 2009, by Bruno Ciccaglione

64 Kield Jacobsen, Interview on March 3rd, 2009, by Bruno Ciccaglione

*the space to enlarge the multisectoral coalitions to more radical groups and this made it impossible to continue a combined use of different tactics. Launching the Struggle Campaign on the FTAA, TUs practically stopped participating in any negotiation and the focus was only on mobilizations. All these mobilizations against the FTAA, considered as an instrument of the neoliberal policies in the region, contributed to a political change of perception about these policies. This clearly was a contribution that favored the political changes that occurred. In this sense we can see a direct link between these mobilizations and the political change that later was decisive to block the FTAA negotiations”.*

### **3.7 Developing a vision for a new trade system: fair trade and regional integration**

We already mentioned how trade unions in the Americas never considered the instrument of FTAs as a good vehicle to implement the trade policies they wanted. They promote, with varying accents and voices, the need to reshape trade rules in a completely different way.

Some trade unions explicitly use the term *fair trade* to address the need to reshape trade rules in a way that could prevent a race to the bottom for workers. As explained by Thea Lee, AFL-CIO representative, *“We have never said that trade is in itself a bad thing. We live in a global economy and we all understand that we are going to continue to live in a global economy for the foreseeable future. So goods, services, capital and people are going to continue to cross national borders. The question is not how do we stop all the goods from coming across the border, and we don't necessarily want to keep the tariffs high. But we don't want to take our tariffs down, giving better access to the US markets, only to have our companies moving jobs to a place where workers can not exercise their basic rights, where toxic wastes are offloaded in the rivers or in the ocean, in a way that companies make money at the expense of ordinary people, workers and communities. What we always tried is to make a distinction between corporate dominated trade rules and socially oriented trade rules. Fair trade is kind of a short term to say that we need a framework of rules for the global economy that is fair to people”*<sup>65</sup>. In other words these trade unions do not accept the idea that the final goal of trade liberalization should be to take every tariff down to zero. *“There may be some social reason why you want a tariff, you may want to protect strategic industries. Every country should have the ability to do that and the goal in trade is that it should be done in a way which is fair to everybody. All countries should be able to use*

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65 Thea Lee, Interview on March 16th, 2009, by Bruno Ciccaglione

*safeguard protections, be able to protect consumers and labor rights. So obviously we start it with labor rights, we start it with ILO Declaration on Fundamental Principles and Rights at work, the core labor rights that the international community has reached consensus on: freedom of association, right to organize, prohibition against the worst forms of child labor and discrimination in employment. We say that every worker in the world deserves those rights and any trade agreement, trade liberalization or trade law should respect those rights. So every time, for example, that a government tries to gain a competitive advantage by violating workers fundamental human rights, we would argue that our country needs to be able to say 'we are not going to import the products with child slave labor', because we don't want to encourage it, and we don't want to make money of your choice to violate rights. So I guess what we mean by fair trade is to take certain principles". One of the problems of this approach is on the one hand the criticism we already mentioned about focusing on "core labor standards"<sup>66</sup>, and on the other hand the difficulty to extend this approach to other areas, such as environmental issues: "In the environmental front it's a little bit harder to identify than in labor, because there is not a single set of core standards (...). As international community we have to be able to identify first of all the fundamental international consensus principles that should be more important than trade flow or profit, or multinational corporate rights, and being able to incorporate them in our trade rules. The price for trade should not be having to give up our own democracy. We have democratic scope and rule making and national regulations, but we don't have an international government that makes those rules. We don't have an international minimum wage, international environmental protection etc. So we need to figure out the interface where individual countries have the right to set higher standards and not be penalized in the global economy for setting high standards with respect to legitimate goals on environment, consumer and labor protections"<sup>67</sup>.*

As the coalition building processes created to confront the FTAs developed, a wider vision started to emerge, although with contradictions and problems. The political shifts in Latin American started to produce attempts to build forms of regional integration which included

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66 See note 35 and the quoted articles *The ILO: an Agency for Globalization?*, Guy Standing, *Development and change* 39(3), 2008, Institute of Social Studies [<http://www.unhistory.org/pdf/StandingILO.pdf>] and "Shrinking the International Labor Code: an unintended consequence of the 1998 ILO Declaration on Fundamental Principles and Rights at Work?" - Alston P. and J. Heenan – *International Law and Politics* [<http://www.chrgi.org/publications/docs/wp/Alston&Heenan%20Shrinking%20the%20International%20Labor%20Code.pdf>]

67 Thea Lee, Interview on March 16th, 2009, by Bruno Ciccaglione

trade rules but appeared not to follow the corporate trade agenda. The ALBA (Bolivarian Alternative for the Americas)<sup>68</sup> is one example, but it clearly comes from a deeper and longer analysis which is already part of the debates within the Hemispheric Social Alliance. To give an example of these first attempts to build trade rules with a different approach we can briefly enlist the main contents of the People's Trade Agreement (Tratado Comercial de los Pueblos, TCP, in Spanish)<sup>69</sup> signed between Bolivia, Cuba and Venezuela, and its main differences from a FTA: the People's Trade Agreement offers trade benefits for Bolivian products in Venezuela (mostly soy) but does not ask to Bolivia to do the same, allowing to maintain its tariffs in order to protect its local economy; the States become key actors of trade, since Venezuela commits to buy fixed amounts of a range of Bolivian products; the agreement excludes rules on intellectual property, health services, financial services, common goods as water, in order to grant each country the ability to protect this sectors. In other words the agreement appears to move far beyond the logic of the temporary WTO provisions based on allowing weaker economies to maintain some "privilege, as tools to prevent a dramatic impact on the local economy of the weaker countries"<sup>70</sup>.

The idea of developing an alternative vision that goes beyond free trade and towards a wider integration as a possible model is clearly evident in the official documents of the Trade Union Confederation of the Americas<sup>71</sup> (TUCA-CSA). As included in the Action Program on Integration and Globalization approved in the Founding Congress and later by the Executive Council of the TUCA-CSA: *"The Congress commits trade unions of the Americas to defend a*

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68 *"The Bolivarian Alternative for the Americas (ALBA) is based, fundamentally, upon a model of politic, economic and social integration of countries, as the Caribbean and Latin American, which share geographic spaces, historical and cultural bonds, necessities and common potentialities. The ALBA is then, a new scheme of integration based on principles of cooperation, solidarity and complementariness and it arises as an alternative to the neo liberal model, which has not done but that to deepen the structural asymmetries and to favor the accumulation of wealth in privileged minorities in detriment of the well-being of countries"*  
[http://www.alternativabolivariana.org/pdf/alba\\_mice\\_en.pdf](http://www.alternativabolivariana.org/pdf/alba_mice_en.pdf)

69 In april 2006 the member governments of ALBA at that time (Bolivia, Cuba, Venezuela) signed a People Trade Agreement -  
<http://www.alternativabolivariana.org/modules.php?name=Content&pa=showpage&pid=516>

70 See "Las diferencias entre los TLCs y el Tratado de Comercio de los Pueblos -TCP" - Interview with the economist Pablo Solón of the Fundacion Solón in Bolivia - [http://www.bilaterals.org/article-print.php3?id\\_article=4617](http://www.bilaterals.org/article-print.php3?id_article=4617)

71 The ITUC Regional organization for the Americas (TUCA-CSA) was formed in March 2008 to succeed the *ICFTU Inter American Regional organization of Workers (CIOSL/ORIT)* as the regional organization of the ITUC. The organization has 65 affiliated, in 29 countries, representing more than 50 million workers.  
<http://www.csa-csi.org/content/category/18/138/177/> . To see the affiliated organizations see <http://www.csa-csi.org/content/view/4995/185/> .

*stronger economic, political, social and cultural integration that is in favor of people, respectful of diversities, and that favors environmental sustainability, as a strategy to face neoliberal globalization. It is fundamental to strengthen the processes of subregional and regional integration, with a full participation of the workers, in order to react to FTAs that only increase the distance between and within the impoverished and the rich countries”<sup>72</sup>. “It is impossible to move in this direction” - the TUCA-CSA argues – “without going beyond the exhausted neoliberal model still present in the continent. Building alternative processes to the neoliberal model the TUCA-CSA will drive the strategy of Sustainable Development, consistently with a generalized common sense that consider three axes, each one having the same relevance: the economic, social and environmental. The starting point for economic, social and environmental policies, in order to help meet the target of a sustainable development, is an active role of the State, sustained by a new democratic assent based on popular sovereignty, and an enlargement of the forms of participation of the civil society in the decision making process, both at the national and the regional level”<sup>73</sup>.*

This more general approach might become stronger now as the global economic crisis changes the framework. Sheila Katz, Canadian Labour Congress representative, argues that *“Hopefully the opportunities that come out of this worldwide economic and multiple crises will allow for some talk and discussion on re-regulating the economies, re-regulating the financial systems, and might lead to the development of a new kind of trade agreements, to a new kind of globalization if you will, one that is more to the benefit of the workers in the world”<sup>74</sup>*. Nevertheless the tendency to push for new FTAs will be strongly present as well, especially for countries and regions willing to boost their economies through increased exports.

## **4. Conclusions and recommendations for Europe**

The story of how most of the trade unions of the Americas dealt with Free Trade Agreements is long and complex. Nevertheless our research supports the idea that a convergence process has occurred in the hemisphere. Considering the difficulties of the first attempts by the Canadian Labor Congress to speak a common voice with the AFL-CIO in approaching the US-Canada FTA negotiations in the mid 1980s, it is noteworthy that the analysis which is

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<sup>72</sup> <http://www.csa-csi.org/content/section/26/189/>

<sup>73</sup> *Ibid.*

<sup>74</sup> Sheila Katz, Interview on February 9th, 2009, by Bruno Ciccaglione

today proposed by the TUCA-CSA, not only opposes FTAs, but goes beyond the concept of fair trade. Instead it seeks to design a model of integration that is an alternative to free trade, not only because it proposes alternative trade rules, but because it aims at moving away from neoliberalism by giving a new centrality to the State, and to a new democratic and participatory process. It would be overstating the reality to claim that every trade union of the Americas is concretely and consistently operating in harmony with the Program of Action approved by the TUCA-CSA, but still it is clear that the labor movements of the Americas followed a path that is unique and obtained some genuine achievements, as was the case of the defeat of the FTAA. This happened because of the development of new practices both in terms of cross border alliances and in terms of coalition building with other social actors, as is the case of the building of the Hemispheric Social Alliance, and a result of similar national coalitions which involved many different social movements. The variety of modalities used and the continued debate and discussion both within the labor movement and with other social actors also contributed to the building of a common vision that enriched the different contributions.

The vision that trade unions of the Americas developed in the last decades on trade rules has increasingly produced a critique of the negotiations with the EU - especially in Central and South America, with arguments that are similar to the ones used in the case of negotiations with the US. According to the TUCA-CSA, the agreements signed between Mexico and Chile<sup>75</sup> and the EU, marked a clear change in the EU strategy: the former EU approach, more focused on political dialogue and cooperation, the American trade unions argue, was abandoned in favor of an approach based on free trade agreements, similarly to the approach of the US<sup>76</sup>. Trade unions claim that this is evident in the current negotiations with MERCOSUR, the Andean Region Countries and Central America. Gonzalo Berron, TUCA-CSA representative says that *“Only a few years ago the way the EU was proposing agreements was different, but now it's clear for everybody that EU is only pushing for Free Trade Agreements and is not this fraternal good friend aiming to increase cooperation with Latin*

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75 The “Global Agreement of the EU with Mexico entered into force in 2000 ([http://www.observatoriouea-alop.eu/wcm/index.php?option=com\\_content&task=view&id=13&Itemid=13](http://www.observatoriouea-alop.eu/wcm/index.php?option=com_content&task=view&id=13&Itemid=13)), the Association Agreement of the EU with Chile in 2003 ([http://www.observatoriouea-alop.eu/wcm/index.php?option=com\\_content&task=view&id=51&Itemid=86](http://www.observatoriouea-alop.eu/wcm/index.php?option=com_content&task=view&id=51&Itemid=86))

76 <http://www.csa-csi.org/content/section/26/189/> - Action Program of the ITUC-CSA

*America*<sup>77</sup>. Kield Jacobsen, CUT Brazil representative, says that *“In terms of the contents of the trade agreements, the EU agreements are exactly the same as the ones planned and implemented by the US with the ALCA (FTAA). In this sense the CUT stands against them with the same arguments”*<sup>78</sup>. For these reasons trade unions of Central and Latin America consider problematic the relationship with the European trade unions: *“Although sometimes their rhetoric is similar to ours, then we see a different conclusion, because we oppose these Association Agreements, as the Europeans only claim to remove some of the worst elements out of the agreements. We do not disagree on the need to have a social and labour chapter, but the problem is that the trade chapter of these agreements simply makes any other element subordinated, and cancelling any effect of the other chapters”*<sup>79</sup>. Even more openly critical is the CUT Brazil representative: *“There is a difference in our relationships with the TUs of the United States and those of the European Union, when it comes to free trade agreements. The US trade unions oppose them, the Europeans support the negotiations, generally, although with some remarks. (...) It is very difficult to explain to the European trade unions the impact of these agreements on the development process in our countries, because they continue saying that according to their calculations the export of manufactured goods would be increased for European companies. So they think this can generate new employment. When in the ITUC we tried to coordinate trade union confederations of different countries to oppose the NAMA within the WTO negotiations, even if only one European trade union – the British – explicitly stood against our coalition and vision, the European trade union participation in this coalition gradually decreased”*<sup>80</sup>.

A full discussion of this issue would be lengthy and take us outside the subject of this report. But we want to stress the need for further discussion, since trade rules are one of the critical issues that challenges labor movements worldwide, if the global labor movement is to build a new transnational solidarity capable of preventing in the future the race to the bottom that we observed in the decades of the neoliberal globalization.

In the context of the global economic crisis, the debate on trade seems to be focused on “protectionism” vs “further liberalization” as possible “solutions”. Both of these extremes

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77 Gonzalo Berron, Interview on March 24<sup>th</sup>, 2009, by Bruno Ciccaglione

78 Kield Jacobsen, Interview on March 3<sup>rd</sup>, 2009, by Bruno Ciccaglione

79 Gonzalo Berron, Interview on March 24<sup>th</sup>, 2009, by Bruno Ciccaglione

80 Kield Jacobsen, Interview on March 3<sup>rd</sup>, 2009, by Bruno Ciccaglione



seem to be outside of the vision of trade unions of the Americas. Introducing the recent publication *“Trade Unions 2009: Strategies to face the world crisis, Multilateralism and Trade and Investment Agreements”*<sup>81</sup>, Victor Baez Mosqueira, General Secretary of the TUCA-CSA, addresses the specific different perspectives of developed and developing countries facing the crisis and the need to face the contradictions by proposing a “development of a new kind”. For Latin America and the Caribbean Countries he argues that *“Starting from the concept of Fair trade within a multilateral framework, we should address regional integration. In the last 20 years Regional Integration became a key issue for trade unions in Latin America and the Caribbean, especially between close countries that share similar productive development structures and cultural closeness. Following this path trade could be increased, and stronger alliances could be built to face other regional 'blocks' and central countries, in order to achieve a better ability to impose their conditions upon the 'market jungle’”*<sup>82</sup>.

In terms of trade rules, the labor movements of the Americas face the global crisis starting with a demand for a renegotiation of the existing free trade agreements and opposing the ones that are currently being negotiated or ratified.

Also the recent developments are noteworthy:

- The joint letter to the Governments of Canada and the US sent by the AFL-CIO and the CLC demanding that the governments *“review and renegotiate the North American Free Trade Agreement (NAFTA) and to adopt a series of complementary policies necessary to build a strong, fair economy for workers in the United States, Canada and Mexico”*<sup>83</sup>. We should also note the on-going struggles to stop the ratification of the FTAs with Colombia in the US and in Canada<sup>84</sup>.

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81 “Sindicatos 2009: Estrategias frente a la crisis mundial, el multilateralismo y los acuerdos comerciales y de inversión” - <http://www.csa-csi.org/content/view/5051/>

82 Victor Baez Mosqueira, *No pagaremos el costo de la crisis. Por un modelo sustentable y justo de desarrollo. Hacia una Plataforma Laboral de las Américas (PLA), ante la crisis Crisis y Trabajadores*, - *Sindicatos 2009: Estrategias frente a la crisis mundial, el multilateralismo y los acuerdos comerciales y de inversión* - <http://www.csa-csi.org/content/view/5051/>

83 See <http://canadianlabour.ca/en/afl-cio-and-canadian-labour-congress-call-leaders-to-work-together>

84 On the US FTA with Colombia and the AFL opposition to it see <http://www.aflcio.org/issues/jobseconomy/globaleconomy/colombiafta.cfm> . On the Canada FTA with Colombia and the campaigns of the CLC see <http://canadianlabour.ca/en/colombia-campaign>

- The position of the TUCA-CSA and the Latin American and Caribbean trade unions on the problems and pitfalls of negotiations with the EU.
- Efforts to relaunch the multilateral framework in order to include labor and environmental standards, and the difficulties of reaching a clear consensus within the labor movements (and with other social movements) on whether the WTO is the right space for such a debate in the current framework.
- The demand for a new model of trade that is strictly connected with a wider analysis of the current crisis and its connections with other crises (climate change, food crisis, energy crisis and, many argue, democracy crisis).

To conclude we would like to summarize some of the most interesting and original elements emerged in our research on strategies, practices and struggles of trade unions in the Americas facing FTAs. We consider they could offer an opportunity for European trade unions in order to build common platforms and ultimately to build new forms of transnational solidarity. These elements are the following:

- **Demanding a new kind of trade rules** that are not conceived to serve the interest of Transnational Companies, transcending the neoliberal model based on FTAs. Emphasis on social clauses is not considered sufficient to accept or support a trade agreement.
- **Always trying to build a concrete link** – and possibly common platforms - **between trade unions of the countries involved in the negotiations** (both in bilateral and in regional/multilateral negotiations);
- **Building wide alliances with social movements**, at the national and the transnational level. This led to the creation of the Hemispheric Social Alliance. While such an experience can not be “exported” one to one in other regions such as Europe, it still seems to offer a useful political indication, especially on trade issues. This strategy proved to be somewhat effective, not in order to give a new political role to trade unions, but to be effective in defending labor rights, both within the national borders and at the transnational level. It is noteworthy that in Europe some interesting

experiences of networks working on trade issues already exist, such as the Seattle to Brussels Network (S2B)<sup>85</sup>. This network includes social movements, NGOs and environmental groups aiming “to challenge the corporate-driven agenda of the European Union and other European governments for continued global trade and investment liberalisation”<sup>86</sup>. While at the global level, within the Our World Is Not For Sale Network (OWINFS)<sup>87</sup>, participation to the network by trade unions is relevant, the European TUs participation in its European part, S2B, is marginal<sup>88</sup>.

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85 “The S2B network was formed in the aftermath of the WTO’s 1999 Seattle Ministerial to challenge the corporate-driven agenda of the European Union and other European governments for continued global trade and investment liberalisation. It has also developed as a response to the increasing need for European coordination among civil society organisations” - <http://www.s2bnetwork.org/>

86 <http://www.s2bnetwork.org/index.jsp?id=7&random=r575950355269015>

87 <Http://www.ourworldisnotforsale.org> (this web site is actually being reorganized, should be available in the next months)

88 Some of the main trade unions participating in the OWINFS (as members or collaborating with different working groups) are Canadian Labour Congress (Canada), CUT Brasil, COSATU (South Africa), CTA (Argentina), KPMP (Philippines), FKTU (South Korea). Noteworthy is also the participation of the Public Services International (PSI).

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