

**REPORT OF GLOBAL UNIONS PANEL ON "SUSTAINABLE TRADE, SOCIAL
DEVELOPMENT AND DECENT WORK"
(Geneva, 16 June 2003)**

The chairperson Philip Jennings, General Secretary of the General Conference of the Global Union Federations (GUFs), welcomed participants to the meeting on behalf of Global Unions. He emphasised the interest of the union movement in issues of governance and rights, drawing attention to the serious transparency deficit in the GATS negotiations.

The first speaker Guy Ryder, General Secretary of the International Confederation of Free Trade Unions (ICFTU), outlined the priority issues for the trade union movement in the run-up to Cancun. He stressed union demands in the areas of protecting public services in the GATS negotiations; meeting the main developing country demands on questions such as TRIPS; reducing agricultural subsidies; preventing the "Singapore issues" from aggravating the imbalances of globalisation; taking steps to protect core labour standards at the WTO; and achieving moves towards greater transparency at the WTO. Without concrete measures in those directions, it would prove extremely difficult for the WTO to obtain any popular confidence that it could achieve the lofty aims set out in its Marrakech founding declaration of 1994.

Neva Makgetla, Policy Director of COSATU from South Africa, spoke of the necessity of diversifying exports from developing countries, which was not an automatic market-driven process but required an active government role and access to technologies as well as to industrialised country markets. The danger now was that WTO rules would take away from developing countries the historic tools used by industrialised countries at the time they had achieved development. Government procurement preferences to domestic producers were just one of the tools that developing countries had to preserve. Poor people required public subsidies to get access to electricity and water, which private companies would not provide, just as poor HIV/AIDS victims needed help to get cheap retroviral drugs in order to survive. Finally, she drew attention to the danger of bilateral trade agreements undermining the multilateral negotiating process.

The General Secretary of TUAC, John Evans, spoke of the increasing number of investor-to-government lawsuits under NAFTA rules, which were heightening general distrust of investment negotiations. He emphasised the absence of the social pillar, agreed upon at the Johannesburg World Summit on Sustainable Development, from the WTO. Unions wanted a multilateral framework for investment that would include obligations on investors; an end to competitive "bidding down" of labour standards to attract investors; protections of core labour standards; an exemption of "National Treatment" rules for developing countries; no investor-to-state provisions; a GATS-type "positive" approach; and no expropriation clauses. Unions were opposed to negotiations starting at Cancun because many of these elements were missing, as they were also opposed to negotiations on competition policy and on trade facilitation.

In a first discussion round, questions were raised about the respective roles of ILO and WTO in dealing with labour standards, the importance of addressing investor obligations, and the situation of China. In response, the panellists emphasised the need for governments to demonstrate their good faith on investment issues by implementing fully the OECD Guidelines on Multinational Enterprises. The ILO must always set and supervise labour standards, but there was a need to address trade-related labour rights issues at the WTO as well. That was particularly urgent as a result of China's impact on the world economy, which was closely linked to its low export costs deriving from violation of core labour standards. The point was made that international sanctions had been crucial in bringing down the apartheid regime in South Africa.

The Secretary-General of the Malaysian Trade Union Congress (MTUC), G. Rajasekaran, drew attention to the failure to implement the provisions of the 1996 Singapore WTO Conference Declaration on respect of core labour standards and on ILO-WTO co-operation. Indeed, violations of trade union rights had been worsening since 1996, with MNCs threatening governments that unless

they received the same poor labour rights they obtained in China, they would relocate to that country. It was essential to prevent globalisation from continuing to result in a worsening respect for core labour standards. Trade unions were not proposing a worldwide minimum wage, but simply calling for non-protectionist measures to achieve respect of a set of basic, core labour standards that any country was capable of observing, whatever its development level.

Mike Waghorne, Assistant General Secretary of the Public Services International (PSI), emphasised that while unions did support international negotiations on trade in services, they had a number of serious concerns related to the current GATS negotiations. In particular, these concerned the lack of a clear definition in Article 1.3, leading to the possibility of legal challenge to government provision of many public services; the risk of GATS disputes undermining democratically determined national regulations by ruling them to be “burdensome”; the secrecy of the GATS negotiations; the cumulative negative effect of IMF/World Bank trade liberalisation recommendations together with the one-way street effect of GATS commitments; and the lack of the full impact assessment of the GATS that was mandated in the treaty and which was strongly supported by developing countries.

Anja Osterhaus of Solidar spoke of the importance of building collaboration between different trade union and NGO actors working on globalisation. It was essential to consider the social, developmental and environmental impact of WTO policies in areas like investment in the run-up to Cancun, and seek to achieve common positions on such issues, including with women’s groups, indigenous peoples’ organisations, etc. Solidar was working with a Global Network of trade unions and NGOs in 21 developing countries to address issues of labour, agriculture, services and so on. It could often be difficult for unions and NGOs to reach common positions, but such problems had to be overcome in the interest of both parties in achieving their objectives.

In further discussions, questions were asked about GATS, particularly “Mode IV” movement of natural persons; the appropriate fora for promoting core labour standards; the role of legislatures; the need for the WTO to address the evolving nature of global issues, including investment and related issues; and fears about protectionism.

Panelists responded to explain the difficulties in achieving a clear definition of “public services” under the GATS. On “Mode IV” issues, unions were emphasising the need to protect the rights of temporary workers, and to prevent such workers being exploited by employers to undermine existing wages and working conditions; and the need to avoid a brain drain from developing countries and build development. WTO rules were based on a trade liberalisation premise which was often antagonistic to peoples’ interests or to the development process. Alliances of unions and NGOs must also seek to involve parliamentarians.

It was vital that issues of how products were produced, including the human rights of the workers who made them, became valid for consideration at the WTO. It was agreed that fears about protectionism could be real, but stressed that this made it all the more necessary to negotiate mechanisms to ensure such risks were prevented. Indeed, most WTO members were more than ready to address labour standards issues; it was the intense opposition of a handful of hard-liners that was preventing progress. Trade unions were also pushing for progress in many other fora including at the IMF and World Bank and in GSP systems.

The chair closed the meeting, thanking participants for their attendance.
