

**TUAC EVALUATION
OF THE OUTCOME OF THE EVIAN G8 SUMMIT
1-3 June 2003**

Overview

1. At the meeting with trade union leaders on 25 April, there was much agreement between President Chirac and international labour that the Summit needed to give a boost to growth and employment, reinforce rules on responsibility of business in the global economy, and develop solidarity between the North and South. The Summit conclusions in these areas look thin. The ambitions of the French Presidency to set a “social agenda” for globalisation at the Evian Summit appear to have fallen victim to external pressures to re-establish relations with the U.S. Presidency following the Iraq war.
2. In the Chair’s conclusions confidence is expressed that the world economy will pick up in the second half of the year and emphasis is placed on “structural reforms”. On responsibility the Summit supports existing initiatives and much attention is given to NEPAD and health, but the treatment of the key question of resources is inadequate. Issues remain as to which multilateral institutions will follow-up on which work areas. In addition to the highly general Chair’s conclusions, the Summit issued fifteen declarations or action plans prepared in advance by officials. Half of these were on security issues.
3. TUAC and the global union movement will continue to work on the economic and social questions to push governments to honour commitments on issues such as the implementation of the OECD Guidelines on Multinational Enterprises, the strengthening of stakeholder treatment in Corporate Governance, and giving workers a voice in the NEPAD process. Furthermore, the reform of the G8 process itself remains an open question after the Presidency in Evian extended the invitation to leaders of non-G8 countries.

Commitments to growth

4. Trade union leaders at their meeting with President Chirac had called for a concerted response to what has become a synchronised recession through coordinated fiscal and monetary policy. They also called for a positive agenda for structural change based on investment in the workforce, the dissemination of new technology and social partnership. The Presidency subsequently announced that G8 had to “fix a direction for restoring growth” and “establish a successful and humanised form of globalisation”.
5. The Summit conclusions fall far short of these objectives. The G8 express confidence that growth will pick up. They recognised their common responsibility to raise growth, but say this “should rely more strongly on structural reforms and flexibility”, listing “structural

reforms of labour, product and capital markets” and “pension and health care reforms”. Many of the “reforms” now being promoted will undermine security of working families and lead to cutbacks in consumption rather than a stimulation of growth and employment. There is a commitment to “raise productivity through education and lifelong learning” and “promoting public and private investment in knowledge and innovation”. Even with such generalities, the conclusions ignore the fact that in 1999 at the Cologne Summit the G8 issued its own “Charter on aims and ambitions for lifelong learning” whereas they could have urged Labour Ministers to evaluate its effectiveness. Overall the G8 failed to respond to the worsening growth and job situation.

6. The plan of action on trade shows failure to agree on agricultural reform including even the objective of the French Presidency to limit agricultural export subsidies. There are no direct references to the current problems besetting the world trading system, such as the major disputes between the US and EU on issues from steel to hormones and US tax breaks; nor to the perceived risk of bilateral negotiations distracting from multilateral ones. There are only veiled references to the G8’s belief in a “multilateral” approach and to the G8’s commitment to “stronger international rules and disciplines”.

7. A paragraph endorses the EU’s aspiration to achieve agreement to start negotiations on the four “Singapore issues”, concerning which the US in particular has generally been ambivalent. They may hope to see greater US support at Cancun as a result. A relatively long paragraph is devoted to TRIPS and health problems. This might, perhaps, presage some readiness by the US, perhaps in Cancun, to join the existing compromise proposition on this subject, as had almost been adopted at the start of this year but foundered due to US opposition. In summary, the action plan on trade is vague, and provides little beyond the usual rhetorical commitments to a multilateral trading system, and to reaching the end of the Doha Round on schedule by the end of 2004. There is nothing on labour or social issues.

A “socially responsible economy”

8. One of the fifteen separate declarations issued by the G8 was on “Fostering growth and promoting a responsible market economy”. The Presidency had sought to make this a high profile political reaction to the failures of corporate governance highlighted by Enron and other scandals. However, the Europeans and US failed to agree on anything more than references to existing instruments. On corporate governance, the G8 “strongly support the ongoing review of the OECD Principles” of Corporate Governance and significantly underscore the stakeholder chapter in the Principles.

9. On corporate social responsibility the G8 “welcome voluntary initiatives by companies” such as the OECD Guidelines and United Nations Global Compact. This misses the point. The OECD Guidelines are a government instrument addressed to companies and the G8 have a responsibility for effective application. There is encouragement to companies “to work with other parties to complement and foster the implementation of existing instruments, such as the OECD Guidelines and the ILO 1998 Declaration on Fundamental Principles and Rights at Work”. Again governments have a major responsibility for enforcement of both instruments.

Sustainable Development

10. A great deal of attention in the Summit preparation was given to Africa and the follow-up to NEPAD. An implementation report was given by the G8 personal representatives on Africa. This draws attention to the development of the African Peer Review Mechanism. It also takes stock of the delivery of the \$ 6 billion additional ODA resources for Africa agreed at the Kananaskis Summit. However, the UN has stated that \$ 25-35 billion extra resources are needed if Africa is to meet the millennium development goal of halving extreme poverty by 2015. This still remains illusory.

11. Also of concern is that NEPAD remains a process for African Heads of State and not their people. While the G8 recognise “the need to improve communication on the principles and values of NEPAD and to promote further the participation of civil society”, the recommendations given by African trade union leaders on a union advisory group for NEPAD are not followed up.

12. The focus of the preparations for the Summit on achieving the millennium goals on water and sanitation targets can also be welcomed. Such high level political commitment is necessary to implement the human right to water. However, the focus still remains public-private partnerships and privatisation of water services rather than the assistance of capacity building of the public sector. (The Public Services International have issued a separate reaction to the G8 Action Plan on Water.)

13. In their Health Action Plan the G8 countries commit themselves to work with developing countries, the private sector, as well as multilateral and non-governmental organizations to achieve the WSSD and Millennium Summit Goals and to strengthen their efforts bilaterally and multilaterally. They have reaffirmed their support for the Global Fund to fight HIV/AIDS, tuberculosis and malaria and have agreed to host a conference this July in Paris to bring together international donors', governments, NGOs and the private sector. They have also agreed to address current WTO barriers to export accessible and affordable medicines to countries where these are most needed. But no breakthrough on access to medicines and resources are still inadequate despite further US commitment to provide further resources for the Global Health Fund.

14. The G8 adopted an action plan on Science and Technology for Sustainable Development that commits governments to enhancing their research capacities to:- expand global observation and monitoring of water, atmosphere, land, oceans and ecosystem; develop cleaner and more efficient energy and promote certain renewable energies; and promote higher agricultural productivity, mostly through genetic resource development and conservation. It also commits the G8 to expand the availability of and access to cleaner and more efficient fossil fuel technologies and pursue joint research and expand international cooperation in these fields. In agriculture they will support actions to provide technology suited to local economic social and environmental conditions to the rural poor in developing countries, particularly Africa, including public-private partnerships. Not surprisingly they were unable to agree on the key issue of climate change and the Chair's conclusions simply state that “Those of us who have ratified the Kyoto Protocol reaffirm their determination to see it enter into force”.

15. In one of the more significant acts, in the light of the Prestige disaster, the Summit also adopted a G8 Action plan on Marine Environment and Tanker Safety that highlights the unsustainable nature of the “flags of convenience system. The G8 commit to “address the lack of effective flag State control of fishing vessels, in particular those flying Flags of Convenience” and on maritime safety to “accelerate the introduction of a code for Flag States”. It also commits the G8 “to improve the training of seafarers, including minimum qualifications” and support in the ILO, a “new consolidated convention on maritime labour standards”.

Security

16. In reality, the security issues and re-establishment of dialogue between the US and European leaders following the Iraq war were the real focus of the Summit. Half the action plans and declarations covered issues of security, weapons of mass destruction and terrorism. The question remains that without a more central commitment by all the G8 to reduce world inequality and promote sustainable development as well as to strengthen international law and institutions, short-term reactions to terrorist threats will not remove the underlying threats to security.

Reform of the Summit process

17. Despite the missed opportunities and limited outcomes of the Evian Summit the French Presidency introduced two important innovations to the Summit process. On the one hand non-G8 leaders representing the most populated countries of the world were invited to the first day of the proceedings. On the other hand, there was a far more engaged process of consultation with trade unions and civil society. The trade union statement was included in the G8 website as an official document for the first time. These initiatives have to be built on to work for a genuine reform of the G8 process and the ultimate establishment of an Economic and Social Security Council to establish more effective governance of global markets.