

## EC 8

Text as adopted by the Executive Committee on 30 November 2018 in Mexico

# EXECUTIVE COMMITTEE MEETING

## Mexico City, Mexico

### 29-30 November 2018

#### EC 8 An Action Plan towards Fair Trade and Industrial Policy

Working Group on Trade and Industrial Policy

Final draft agreed by the editorial group on 30 October 2018

## Action Plan

### Towards Trade for the Benefit of the People

#### Guiding Principles

Trade must never be a means by itself, but has to be for the benefit of the workers and societies as a whole. Used appropriately trade policy is one of the principal drivers of prosperous and inclusive societies with decent economic, social, and ecological development.

Therefore, IndustriALL Global Union has identified ten guiding principles for trade union intervention in trade policy forums and processes:

1. Global problems need global solutions. Instead of exclusively pursuing a multitude of bilateral and regional as well as plurilateral trade negotiations with the primary objective of serving the corporate trade agenda, governments should return to multilateralism.
2. It is essential that trade agreements include enforceable labour rights in the core agreement. These rights must explicitly reference and incorporate ILO Conventions, Recommendations and Reports, which include the freedom of association, collective bargaining, and prohibitions against forced labor, child labor, discrimination and unsafe and unhealthy working conditions. All of these standards must be broadly applied and effectively enforced through speedy and efficient binding resolution mechanisms. Honoring these rights are a precondition for any signatory before they can receive the benefits of the agreement. They are essential for achieving a just globalisation that benefits everyone.
3. The veil of secrecy over trade negotiations processes and the negotiating texts should be removed and a democratic process followed in trade negotiations. This includes the proper consultation of trade unions in their function as workers' representatives.

4. Governments must be able to utilize industrial policy tools. It is essential that governments retain appropriate policy space to regulate investments towards employment generation and sustainable development.
5. Democratically elected governments must be free to conceive, adopt and implement policies in the interests of their people without threat of being sued by multinational corporations through unaccountable international arbitration mechanisms, e.g. ISDS.
6. It is essential that governments do not lose policy space to build digital infrastructure and regulate the digital economy, even before its developmental implications can be fully understood.
7. It is essential that any intellectual property regime facilitates governments' efforts to achieve sustainable development goals, and should not be a hurdle in the process. Limitations on medicines for those in need must be removed from trade agreements.
8. Countries should maintain a right to utilise rule-based trade remedies in order to defend local industries against unfair trade.
9. Public procurement has been successfully utilized as one of the key policy tools to promote industrial development. Therefore, public procurement must continue to be available to governments as an industrial policy tool.
10. Public services should be excluded from the legally binding commitments under trade agreements.

### Trade union intervention in Trade Policy Forums and Processes

IndustriALL Global Union and its affiliates' interventions in trade policy forums are very important to ensure that workers interests are protected in trade agreements. In contrast to the low visibility of trade unions in these processes, the corporate lobby has been very active in defending their interests.

While challenges are many, there are also many ways in which IndustriALL Global Union affiliates can strengthen responses to trade and industrial policy issues in order to influence government decisions in favour of workers' interests. The IndustriALL Global Union working Group on Trade and Industrial Policy recommend IndustriALL Global Union affiliates to take coordinated actions as suggested below and develop intervention strategies at three levels namely 1) at the national level, 2) at the regional level and 3) at the global level. IndustriALL Global Union affiliates' work at the various levels should reinforce each other. In order to achieve this the secretariat will co-ordinate the affiliates' activities – where desired and useful.

A mix of traditional and innovative approaches of political engagement, sharing information, intelligence gathering and response strategies are required to create space for intervention and engage on trade policy issues. Appropriate communication channels should be established to facilitate strategic information sharing. IndustriALL Global Union's task is to establish a platform of information sharing and to co-ordinate the different activities, in particular at the global level.

### National level interventions

In addition to factors concerning economic gains, high-level political commitment or / national and international political pressures usually play an important role in trade agreements. Officially, it is always claimed that national interests and sustainable development objectives were guiding trade negotiations. However, one cannot repudiate the fact that trade agreements create both winners and losers. Often powerful corporate lobbies win in this process, while workers, farmers and disadvantaged communities are at the receiving end of the negative impacts of trade agreements.

It is also true that government officials negotiating the agreements often do not fully understand the present and future consequences of trade agreements. Their negotiating positions tend to be influenced by business associations and multinational corporations who actively engage with them and provide specific inputs to foster business interests. To counter this influence and defend workers' interests trade unions must actively engage their governments through consistent and well-informed interventions.

To come up with suitable intervention strategies, trade unions need to understand the key forces driving particular trade negotiations, who are the decision-makers, which group of people will potentially benefit or is likely to face negative consequences of the trade agreements. Affiliates of IndustriALL Global Union have to establish capacities in order to fulfill these tasks. We recommend to IndustriALL Global Union affiliates to take some of the following strategic and political actions at the national level.

- 1) IndustriALL Global Union affiliates can send (joint) political statements / letters to the government at the national level demanding transparency and a democratic process in the trade negotiations. In such a statement, unions can demand that a number of procedural requirements to enhance transparency and a democratic process are met, such as:
  - a. Negotiating mandates for trade negotiators must be discussed in and adopted by parliament prior to the start of negotiations.
  - b. Also prior to the start of negotiations, substantial social, economic and environmental impact assessment studies must be conducted. Such impact studies should include the impact of the proposed agreement on employment, on the world of work more generally and developmental outcomes more broadly, and be analysed through a gender lens. Impact assessment must be conducted with the close involvement of trade unions, NGOs and other stakeholders.
  - c. In preparation to negotiations, institutional structures to hold periodic public consultations on the developments in ongoing trade negotiations must be put in place (either as a permanent feature or ad-hoc for specific negotiations).
  - d. During negotiations, negotiating texts should be made available in the public domain.
  - e. Also, during negotiations and after a draft agreement has been reached, details of the proposed trade agreement and its possible impacts should be discussed not only in national parliament but also in lower level legislative bodies, i.e. at regional or local levels. As new generation trade agreements often have implications for issues handled at the regional or the local level, due attention should be provided to take on board local and regional concerns as well.

The IndustriALL Global Union background document on trade policy can be used to articulate respective national level issues and highlight overall concerns of unions.

- 2) IndustriALL Global Union affiliates can also call upon democratically elected bodies at the local, municipal and state level to demand central government does not trade away and liberalize in trade negotiations certain areas that fall within the rule making authority of local or regional government.
- 3) IndustriALL Global Union affiliates can intensify their engagement with ministries involved in trade negotiations (usually trade and industry or economic affairs) to demand information and put forward their own ideas. In many instances, officials from other departments (e.g. finance, foreign affairs, labour, health, research and technology), are also involved in the negotiations of various chapters in trade agreements.

This process may include demanding names of leading officials involved in the negotiations of specific chapters, to subsequently call for meetings with those officials to seek information, share ideas and put forward union demands.

- 4) Before and after every round of trade negotiations, trade unions should push for such meetings to demand explanations and inform ministry officials and/ or trade negotiators of their views.

There are already established public consultation processes in many countries. However, most of them have significant drawbacks and lack political will to enhance transparency. IndustriALL Global Union affiliates can collectively work together to strengthen these processes and share their experiences with other affiliates.

- 5) Unions can use their influence on union-friendly members of parliament or parliamentary groups to seek debates in parliament, raise specific concerns and seek answers to specific questions.
- 6) On a regular basis trade union positions on trade policy, their overall approach on a specific trade negotiation as well as their take on specific issues can be communicated to the government, to union members, the media and the public at large through various channels:
  - a. Union representatives can write editorials in newspapers before a particular trade negotiation begins.
  - b. Unions can send (individual or joint) union statements highlighting trade union demands for a particular trade negotiation to the concerned ministry with copies to specific officials or publish their demands as an open letter and / or through social media:
  - c. Hold a press conference or issue a press release along with copies of union statement, again supported by social media activities.
  - d. Send copies of union statement to parliamentarians.
- 7) Unions can form and lead or take part in progressive broad alliances at the national level involving workers, shop stewards and union officials at the shop floor level, national trade union centres, farmers, civil society organizations, and disadvantaged communities, former government officials involved in trade negotiations and academics to undertake sustained joint campaigns on trade policy or specific trade negotiations.

- 8) For all trade agreements that have been concluded, ratified and entered into force unions should demand the establishment of a monitoring mechanism involving trade unions and other stakeholders, that monitors its developmental impact, ideally in line with our ten guiding principles on Trade for the Benefit of the People. In addition, unions should demand that governments regularly conduct and publish impact studies during the implementation phase of each trade agreement.
- 9) Whenever illegal or unfair trade practices by certain trading partners are starting to become a threat for the jobs or the general wellbeing of workers in a company or an entire industry, unions can and should use their industrial expertise and political resources to lobby employers and ultimately government to take action to enforce trade rules. In Australia, Canada, and the U.S., unions have to varying degrees won the right to initiate and/or participate in unfair trade cases and have developed significant expertise. IndustriALL Global Union can play a role in helping to spread such expertise among its members.
- 10) Unions can organize national seminars and workshops and also hold internal discussions to develop appropriate intervention strategies.

### Regional level interventions

Regional alliances among IndustriALL Global Union affiliates can be formed around some of the key regional trade agreements to monitor and influence the negotiating process. In some instances it might also be useful to extend this collaboration to monitor its implementation, with a focus on the respect of clauses concerning trade union and individual workers' rights

During trade negotiations unions can, for instance, demand consultative space – e.g. to organise public side-events - at the venues where regional trade negotiations are held. Trade negotiators and ministers can be invited to address such events. Unions can jointly organize their own regional events that coincide with trade negotiations, either as internal meetings with a view to share information, develop collective positions and build solidarity among unions, or as public events in order create public awareness and put pressure on negotiators, including through public rallies and demonstrations.

The following is a non-exhaustive list of some key regional agreements in different stages of negotiation. The list includes both intra-regional agreements of trade liberalisation among countries of a particular region (e.g. in Africa or in parts of Asia), inter-regional agreements, i.e. agreements between two different economic regions (e.g. between the EU and MERCOSUR) as well as agreements between a country and an economic region (e.g. between Canada and MERCOSUR). While most of them are still in the negotiating phase, some agreements have already been concluded but not yet signed, or have been signed but not yet ratified and entered into force.

- Regional Comprehensive Economic Partnership (RCEP) in Asia (*under negotiation since its launch in 2012*)
- Transatlantic Trade and Investment Partnership Agreement (TTIP) (*negotiations on hold since late 2016; resumption of talks under a different name and a new mandate possible in the near future*)
- North American Free Trade Agreement (NAFTA), to be replaced by United States – Mexico – Canada Agreement (USMCA) (*concluded and signed, not yet ratified / entered into force*)

- EU-ASEAN FTA (*explorative talks on the prospects towards the resumption of region-to-region negotiations launched in 2007 and paused in 2009*).
- EU-MERCOSUR FTA (*under negotiation since second relaunch in 2016*))
- EU's Economic Partnership Agreements (EPAs) with ACP countries (*mostly concluded and signed since 2009 onwards, in various stages of implementation and with many exceptions*)
- The African Continental Free Trade Area (AfCFTA) (*first phase concluded and signed in March 2018, in the process of ratification; second phase of negotiations imminent*)
- Canada- MERCOSUR (*under negotiation since March 2018*)

The regional level is particularly relevant for trade unions in the European Union. On trade, the European Union is unique and different from other economic regions. Here, the competency for trade policy and the conclusion of trade agreements fully resides with the regional (EU) level and not with Member States and national governments. (National governments are, however, centrally involved in mandating the EU commission's trade negotiators through the European Council).

Therefore, in the EU context, some of the action points proposed for national level interventions also apply at the regional level.

Increased cooperation between IndustriALL Global Union and industriAll European Trade Union is key to effectively intervene in ongoing trade negotiations between the EU and other countries (currently Chile, Mexico, Australia, Indonesia, New Zealand and South American regional block MERCOSUR). Collaboration with the European Trade Union Confederation (ETUC) and suitable civil society organisations can further strengthen the voice of labour, IndustriALL Global Union's positions and concerns and build alliances with like-minded parliamentary groups and individual MEPs to advance a common agenda.

Many trade agreements concluded by the European Union and also some other countries involve a certain amount of stakeholder participation in the implementation phase that follows, mostly through provisions in their sustainable development chapters that refer to labour issues. Even if these avenues provide limited spaces, it is essential to be involved in these processes to further strengthen them or to expose their limitations and demand an alternative framework for stakeholder participation.

Furthermore, IndustriALL Global Union affiliates in EU partner countries can leverage trading relations with the EU. They can either seek to hold their governments accountable to the labour provisions in their trade agreements with the EU, or, where countries have preferential market access to the EU, to their government's undertakings in order to fully comply with certain international conventions, including those of the ILO, as prerequisite to enjoy the benefits of the EU's unilateral preference schemes for developing countries (standard GSP, GSPplus, Everything but Arms).

Other developed countries have similar preference schemes in place that are also of potential use for unions in developing countries to defend their members interests.

Such schemes create the potential for North-South co-operation and solidarity action among IndustriALL Global Union members, either directly through union-to-union action or under the auspices of IndustriALL Global Union.

## **Global level interventions**

At the global level, it is important to drive home a strong political message that current trade agreements are not in line with promoting workers' rights and sustainable development. A **global day of action** could be observed by IndustriALL Global Union affiliates by holding protest actions and sending a policy statement to respective governments and global forums such as WTO and UNCTAD.

The political call for alternative trade policies that take into account the needs of working people around the world, should be spread in key forums that are driving global trade policies. We call upon affiliates to take an active part in such forums including those provided by the WTO and UNCTAD.

- 1) The WTO Ministerial Conference is the top decision-making body of the WTO. It meets once every two years. Trade ministers of the currently 164 WTO member countries participate in the event along with their delegation, which usually includes representatives from trade unions, business and civil society.
  - a. It is important to constantly monitor developments and negotiating proposals at the WTO in Geneva, especially in the run-up to the Ministerials. In relation to items on the WTO agenda, trade union priorities must be defined and transformed into policy briefs and campaign material, etc.. If seen as necessary and appropriate campaign strategies must be defined and implemented.
  - b. From time to time public statements responding to developments at the WTO could be issued by IndustriALL Global Union. Among other things, such statements could be used to lobby Geneva-based delegates of WTO member states as well as to inform affiliates.
  - c. The WTO being a "member-driven-organisation" Geneva-based interventions must be complemented by interventions at the national level where IndustriALL Global Union affiliates should pressurize national governments to support certain outcomes.
  - d. As part of an overall trade union strategy it would be important to identify, build relations to and regularly work with governments and WTO delegates that are sympathetic to a workers' agenda.
- 2) The WTO Public Forum is an important annual event that provides a platform for stakeholders including government delegations, business, trade unions and civil society to organize events and discuss trade policy issues.
- 3) The United Nations Conference on Trade and Development (UNCTAD) is second major Geneva-based forum dealing with trade, in particular in relation to development. UNCTAD's work at various levels plays an important role in understanding the impact of trade policies and possible alternatives for the developing world. IndustriALL Global Union needs to take advantage of the work of UNCTAD and ensure IndustriALL Global Union's views are reflected in it. The UNCTAD conference held once in four years and the annual meetings of its Trade and Development Board are key forums in which IndustriALL Global Union affiliates can participate to promote workers interest in UNCTAD's work.

Nowadays, intra-firm trade forms a major part of global trade relations. To counter concrete acts of violations of workers' and trade union rights by multinational companies or dependant suppliers along the supply chains, IndustriALL Global Union affiliates can be supported to make use of currently available international mechanisms. These include the ILO complaint procedures, as well as those foreseen in trade agreements, in the OECD Guidelines on Multinational Enterprises, or in the UN Guiding Principles on Business and Human Rights

Compliance with due diligence – that includes the provision of fair wages and decent working conditions - by multinational corporations and their suppliers in global supply chains is of major concern. It has to be strengthened through legally binding instruments, such as, for instance, a possible treaty on “Transnational Corporations and Other Business Enterprises with respect to Human Rights”, currently negotiated under a mandate of the Human Rights Council in Geneva.

At the global level, IndustriALL Global Union will collaborate with the International Trade Union Confederation (ITUC), and with other Global Union Federations in order to work in synergy to defend and promote workers' interests in trade agreements.

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