

issued parallel to the Third Trade Ministerial Meeting in Belo Horizonte, Brazil, May 1997

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.

As part of this meeting, the trade-union movement has reviewed the joint statement prepared by citizens' networks from Mexico, the United States, Canada, Chile and El Salvador and presented to U.S. President Clinton during his recent tour of Mexico, Central America and the Caribbean.

As an example of the intention to achieve effective complementarity between the perspectives and action strategies of the trade-union movement and those of other social movements, we have approved this declaration, based on the aforementioned document and on the trade-union experience gained in various subregional integration processes. Therefore, this declaration should be seen as complementary to that issued by the Third Trade Union Summit.

1. There should be no FTAA agreement if it to be created along the lines of other existing agreements such as NAFTA. We need an agreement that promotes genuine development for all of the peoples of the hemisphere, one that recognizes and attempts to reduce the differences in levels of development, one that allows for integration of our economies based on democratically determined national development models, and one that is based on consensus. Strong national economies must be the basis for a strong hemisphere. We are proposing an agreement designed for sustainable development rather than for trade liberalization.

Any trade agreement should not be an end in itself, but rather a means toward combatting poverty and social exclusion and for achieving just and sustainable development. We do not support isolationism or traditional protectionism. We are not nostalgic for the past. We are looking forward, and we have viable proposals. We know that our economies cannot be isolated from the dynamics of the world economy, but we do not think that free trade is the solution. The problem is that free trade involves more than the opening of borders; it involves the abandonment of national development models and poses a serious threat to democracy.

Any national development model, to be viable, must take trade and world economic conditions into account. It must also build on each nation's potential and develop a strategy to establish its unique position in the world. It has never been demonstrated that the market achieves an optimal distribution of resources or the benefits of development. So-called free trade is actually trade regulation that increases the advantages of international capital, speculative or not, over productive investment and over the rights and well-being of workers.

2. There should be no FTAA if it does not include a social agenda that contains at least the following fundamental elements:

i) There must be broad-based citizen participation in the negotiation of any agreement, and its ratification must occur in each country through genuinely democratic means.

ii) Any agreement must include respect for and improvement of the social and economic rights of workers, women (who have suffered the greatest impacts of the restructuring of production), campesinos, indigenous peoples and migrant workers.

3. Our countries' competitiveness must not be based on the exploitation of workers or social dumping. The current tendency toward downward harmonization of working conditions and wages must be stopped, promoting instead an upward harmonization of working conditions over the medium term, as well as recovery of wage levels. The starting point should be ILO conventions that guarantee freedom of association and collective bargaining, that prohibit child labor and forced labor, as well as discrimination based on sex, race or religion. Moreover, we demand a Charter of Social and Economic Rights for the Citizens of the Americas, accompanied by democratic and transparent enforcement mechanisms.

4. There should be no FTAA if it does not include protection and improvement of the environment, ensure respect for the rights of migrant workers and devote special attention to food security, and therefore on protection and support for campesinos, small-scale farmers, and the social sector, without subsidizing large agribusiness corporations. It should also protect and promote micro and small urban enterprises because of their capacity for generating employment.

5. There should be no FTAA if it does not protect people from the vulnerability and instability caused by speculative capital and fly-by-night investments. Chile, despite the fact that it is the Latin American pioneer in free trade, has protections on portfolio investment: authorization is required; a percentage must be deposited in the Central Bank; and it must be held in the country for a minimum period. Performance requirements on foreign investment must be negotiated, along with regulations to protect labor rights. Intellectual property, which is primarily held by large corporations, should be protected, but not at the expense of global progress toward a social dimension in trade or of national sovereignty. The subject of foreign debt must also be taken up again, as it continues to reduce the ability of governments to act in such key areas of development as housing, health care, education, and the environment.

6. On trade issues, the problem of non-tariff barriers must be resolved. The elimination of non-tariff barriers to legitimate trade should not be confused with lowering sanitary and phytosanitary barriers that protect the environment. Interactions among our economies must support national integration of linkages among productive sectors, for which we demand rules of origin with national content requirements.

This Summit was a first step toward complementary work between trade unions and other social organizations, which could be made more concrete at the time of the Second Summit of Heads of State of the Americas next March in Santiago, Chile, with the convening of a Peoples' Summit of the Americas in order to achieve a hemispheric social alliance. Toward that end, in the coming months we must establish mechanisms of communications and coordination, draw new

organizations into the initiative, exchange joint proposals, and participate together in activities linked to these goals.

We will work in our respective countries to defeat any agreement that is not consistent with these demands.

This Declaration remains open to endorsements by other trade-union and social organizations.

Signed by

Inter-American Regional Organization of Workers (ORIT)/International Confederation of Free Trade Unions (ICFTU)

Mexican Action Network on Free Trade (RMALC)

Alliance for Responsible Trade (ART-U.S.)

Common Frontiers (Canada)

Action Canada Network

Chilean Network for a Peoples' Initiative (RECHIP)

Brazilian Association of NGOs (ABONG)

Coalition for Justice in the Maquiladoras (U.S.)

National Indigenous Council of Mexico

National Union El Barzon (Mexico)

Reséau Québécois sur l'intégration continental

Confédération des syndicats nationaux (CSN - Quebec)

Canadian Association of Labour Lawyers

Belo Horizonte, 15 May 1997

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