



International Trade Agreements

Purpose of brief:

- To inform EB of secretariat work responding to recent developments in the negotiation of international trade agreements, the key challenges posed by such agreements; and
- To propose future areas for action.

Background:

Following the establishment of the World Trade Organization (WTO) the attacks on public services through trade agreements came largely through negotiation of multilateral agreements such as the General Agreement on Trade in Services (GATS). The slow progress of the WTO's Doha Round and the strong global resistance to GATS has prompted a new wave of plurilateral Regional Trade Agreements (RTAs). Since the mid-1990s over 200 RTAs have been negotiated.

The new generation of trade and investment agreements, driven by global corporations and their political allies, focus increasingly on opening market access to services and eliminating non-tariff barriers. These include the rights of investors to unrestricted capital flows into and out of countries, harmonising government regulation, opening access to government service provision to the private sector, excessive intellectual property rights' protections and prohibiting cross-subsidisation of government services. Of particular concern for public services are the attempts to enforce investor-state dispute settlement mechanisms which require governments to compensate private foreign investors for loss of commercial interests, if governments expand state services into areas in which the private sector may have an interest, or even a possible future interest. The combination of these clauses serves to severely restrict government policy space and their ability to expand public service delivery, and facilitates privatisation.

A number of recent developments such as the announcement by US President Obama of renewed talks towards a USA/EU trade agreement, the launching of plurilateral talks for an International Services Agreement (ISA) by a group of extremely pro-free-trade WTO members and the continuing progress of the Trans-Pacific Partnership (TPP) make rebuilding PSI's trade work a priority.

Discussion:

Recent changes to the way trade deals are negotiated have made it much harder for PSI to engage in trade work. There has been a move away from WTO multilateral negotiations whereby hundreds of countries negotiated one agreement and information about negotiations was publically available. Now, the proliferation of hundreds of separate negotiations done behind closed doors has changed the way civil society, and PSI, must work.

Since Congress 2012, PSI has begun to re-engage global NGOs, attended the global WTO strategy meeting at the World Social Forum (Tunis, March 2013) and the planning session for the global focus on the Bali WTO meeting. PSI facilitated the ISA session with global civil society. This work has made clear that PSI's traditional civil society partners have

struggled to keep pace with the fragmenting of trade agreements and many have stopped work altogether.

In this environment, PSI can no longer confine itself to one set of WTO negotiations; yet with limited resources and a depleted base of NGO partners, following multiple negotiations is a significant challenge. The secret nature of trade talks held outside of the WTO increases these problems.

If PSI is to influence trade agreements relevant to our affiliates, we must focus our activity on the key threats and better engage and support our affiliates and civil society in the key stakeholder countries.

Given PSI's resources the proposed focus for our activity is in the following areas:

Trade agreements between the EU and another country

This work requires significant EPSU involvement along with the unions in the other country. EPSU is working with the Canadian affiliates to influence the EU-Canada agreement and this experience will be helpful for the upcoming USA/EU negotiations. This will require co-ordination between USA affiliates and EPSU as well as with the ETUC and AFL-CIO, who are developing a joint position. It will also be important to act on the Guatemala and Colombia FTA with the EU, considering the violence against trade unions and trade union rights in both countries, where PSI action is frequently required. Agreements with Japan and African countries are also underway.

Trans-Pacific Partnership (TPP)

The TPP proposes to cover a wide range of issues including investment, intellectual property rights, services liberalisation including financial services and government procurement. The parties are currently Australia, Brunei, Chile, Canada, Mexico, Peru, Malaysia, New Zealand, Singapore, the USA and Vietnam – with Japan interested in joining. PSI will need to co-ordinate across Interamerica and Asia-Pacific.

International Services Agreement (ISA)

At the beginning of 2012, about 20 WTO members (with the EU counted as one member) who called themselves the “Really Good Friends of Services” (RGF) launched secret unofficial talks on the possibility of an international agreement to further liberalise trade in services - including public services.

The talks are covered under a WTO provision in Article V of GATS that allows groups of countries to negotiate side agreements so long as the agreement has substantial sectoral coverage, and provides for the absence or elimination of substantially all discrimination in trade. The scope of these provisions is in itself worrying. Because they occur outside the formal WTO provisions they do not require consensus of all the WTO countries and the negotiations are not public. The effect of such an agreement would be to set a new ‘gold standard’ that further extends GATS in liberalisation of government services.

The countries currently involved include: Australia, Canada, Chile, Colombia, Costa Rica, Hong Kong, Iceland, Israel, Japan, Mexico, New Zealand, Norway, Panama, Pakistan, Peru, South Korea, Switzerland, Taiwan, Turkey, the USA and the 27 members of the EU.

General

Given the volume of agreements, we must focus our work on the key threats to our affiliates: ensuring agreements are not used to open up public services for commercial activities and contribute to the implementation of international labour standards.

Ensuring we are effective in influencing these negotiations will require partnerships with key affiliates and NGOs. Secretariat will provide analysis, develop position papers, distribute information, link NGOs to affiliates and coordinate across regions and countries. But our real power to influence plurilateral agreements depends on affiliates' ability to influence their home country governments, which also relies on our ability to link with local NGOs to apply pressure. The involvement of PSI's regional leadership such as the Vice-presidents will be critical to our success.

Secretariat has had positive discussions with some affiliates, especially in the UK and Canada, but more action will be needed. With the WTO Ministers meeting in Bali in December 2013 and both the ISA and TPP having a large number of Asia-Pacific countries involved, PSI will need to provide particular support and resources to affiliates in the AP region to be effective.

Next steps: PSI will:

- Establish a co-ordination group for the TPP and ISA to monitor activity, and co-ordinate information sharing and action by affiliates in the regions;
- Produce a brief on the main objectives that public service unions should pursue in trade agreements;
- Produce position papers on the ISA and TPP;
- Continue to liaise with key civil society groups;
- Explore the possibility of increased awareness-raising and capacity-building in strategic locations such as the AP region;
- Assist EPSU where necessary in co-ordinating their EU work to other countries' trade work.