



European Trade Union Confederation (ETUC)
Confédération européenne des syndicats (CES)

Elements for intervention by:

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ITUH BRUSSELS

To be checked against delivery

The EU in world trade – Features of EU trade policy and current perspectives

I am glad this meeting is being held in the International Trade Union House (ITUH), home of ETUC and ITUC.

I'm glad also that the Commission is seeking to involve civil society in dialogue over trade. This isn't a subject that can or should be ghettoised to trade experts.

International trade is high on the trade union agenda. And the EU's exclusive competence on trade issues makes this a European subject par excellence.

Hence the key interest of the European Trade Union Confederation.

Promoting decent work

Trade is not an objective in itself. It must be a tool to promote decent work in all its dimensions.

Trade must be at the service of development and democracy. Health and access to medicines, poverty eradication, protecting the environment, ensuring observance of human, democratic and trade union rights. These should all be underpinned by a fair trading system.

A social dimension to the market

In the same way as the EU single market requires a social dimension, so does the global market. In Europe we are campaigning to ensure that market freedoms do not undercut fundamental trade union rights. Unfortunately, the ECJ has taken a different approach, and we are campaigning for a Social Progress Protocol to rectify that.

Similarly, at world level, ILO standards must not be undercut by WTO agreements.

The European and international trade union movement has for years pressed for a social dimension to international trade. That is not protectionism. That is good governance, an essential condition for the widespread acceptance of free trade.

In the new generation of Free Trade Agreements being negotiated, the Commission is seeking the incorporation of sustainable development chapters, including both labour and environmental standards. We welcome this, while insisting that such chapters should be robust in their enforcement mechanisms.

And we need a similar approach at the multilateral level – in the WTO context.

Regional cooperation

The EU, as the most successful and integrated regional entity in the world, has been keen to foster regional integration elsewhere. That is part of the Union's DNA. Regional integration helps develop peaceful relations between states, as well as economic and social development. After all this is one of the main reasons for the inception of the EU.

In seeking to promote that objective, the EU takes a twin track approach of Association Agreements with a comprehensive agenda, linked to Free Trade Agreements.

But this isn't easy. We have seen contradictions appear between the objectives of association agreements aimed at bolstering regional integration, with its positive consequences, and their trade components where sectional interests prevail and can undermine the overall developmental objective.

There has been a successful Economic Partnership Agreement reached with the relatively well-integrated Caribbean region in CARIFORUM. But elsewhere, in particular in some of the EPAs in African regions, trade interests appear to have acted as a centrifugal force, exacerbating divisions between richer and poorer countries within sub-regions.

Another case currently of concern to us is the relationship with countries in the Andean Community, where the differences between countries are not so much economic but rather in terms of their social and political approaches. This has led to a series of negotiations being engaged with individual Andean countries, Colombia in particular, apparently trumping those at inter-regional level.

We have deep concerns about violations of human and trade union rights in Colombia, which the EU's engagement in negotiating a bilateral trade agreement is not helping to resolve, but rather appears to be legitimising. This is unacceptable and we will not let this issue rest.

Trickle-down theory has failed in this as in other areas, and inequalities have increased. So we renew our call to the Commission to act coherently, placing trade policy squarely in the context of economic, social and political development.

Action in the current crisis

The current crisis brings with it pressure for protectionism, and that in turn impacts on the international trade agenda. That is not the route we want to follow. We remember the 1930's.

The attention of European workers is focussed on the need to act on jobs. We need a real European response to the crisis, with substantially increased and coordinated demand-side action. We are campaigning for a new social deal, and hundreds of thousands of European workers were on the streets across Europe last week to back the ETUC's demands. We

must ensure that proper regulation is introduced to ensure that financial casino capitalism never again brings us to the brink of disaster.

International relations, including trade, provide opportunities to do this. Guy Ryder will no doubt expand on the approaches of the international trade union Movement tomorrow. We of course support them.

At the same time, the EU has a specific and important part to play. The EU has the weight to set standards for the world. It needs to get its act together. Just think of REACH, where we have allied trade with a protective approach to workers' and consumers' health and safety. The standards apply now much wider than just in EU-linked trade. And, en passant, I might say that the ETUC played a significant role in brokering the final agreement on that piece of legislation.

The biggest trading relationship in the world -that between the EU and the US- is also one of the few that is not ruled by a bilateral agreement, but by WTO rules. This is right: an EU-US cartel would not be in the general interest. At the same time we can give a joint lead.

We need an EU-US partnership on sustainable development. This, of course, presupposes that the EU itself can speak with one voice. Modest steps were taken with the adoption by the European Council last December on the climate change package and the Recovery Programme. But we have a long way to go if we are to speak with one voice.

We need to expand the agenda of the Transatlantic Economic Council to cover such issues, as well as approaches to bilateral trade deals for example. Unions must be involved in the work of the TEC. It should not be left to business interests. We are acting on this, together with the AFL-CIO.

There needs to be a realisation that regulation – and deregulation – are not value-free, technical tools. A global integration that threatens our social model and regulatory system increases the risk of trade conflicts. We need to reopen a discussion on bolstering our European "collective preferences" to promote global economic integration by reducing international tensions. That was proposed by Pascal Lamy five years ago, when he was still Trade Commissioner.

He was howled down then by the laissez-faire ideologues who held the upper hand: the same people who have brought us the current crisis. So maybe this is an idea whose time has now come.

Increasingly, restive and worried workers are demanding protection which could turn into demands for protectionism and nationalism unless Europe and its member states show the necessary common will to tackle the growing problems and provide genuine protection for workers. Succeeding in our internal agenda will have significant positive repercussions on that for external trade.
