

**IBERO-AMERICAN TRADE UNION MEETING**  
**Cartagena, 17-21 September 2007**

**DECLARATION**

At their meeting in Cartagena de Indias, Colombia, for the seminar on “Social dialogue and consultation as instruments of Ibero-American social cohesion”<sup>1</sup> from 18 to 21 September 2007, representatives of Ibero-American trade unions and the ITUC’s American regional organisations, ORIT and CLAT, agreed a Declaration for submission to the forthcoming Summit of Ibero-American Heads of State and Government to be held in Santiago de Chile from 8-10 November on the theme of “Social cohesion and development of social policies for producing more inclusive societies in Latin America”<sup>2</sup>. The declaration reads as follows:

“The prevailing form of globalisation is imposing high social costs and high productivity demands on our peoples, not only in the less-developed regions but also in countries where globalisation is viewed as a success. The application of the neo-liberal model has led to social fragmentation illustrated by the increasing deterioration of living standards of large sectors of the population that have been hit by growing unemployment, sub-contracting and increasing labour flexibility, job insecurity, worsening living conditions, increasing poverty, continuing child labour and rising social inequality. The primary or exclusive requirement to make a profit has damaged the abundant but unprotected natural resources and environmental protection, reduced the cost of labour and decreased job security, whilst the continuing violations of fundamental human and trade union rights, particularly in the maquiladoras, coupled with gender inequalities, harassment of workers, discrimination based on class, race and ethnic origin have all been regarded as inducements for investors. These trends have been threatening the sustainable development of large regions in the Americas. The serious lack of decent work is undermining the social security systems, turning workers’ rights into mere rhetorical statements, destroying any possibility of social dialogue and rendering companies’ social commitments worthless along with the political undertakings of the states to promote the implementation of the social agreements reached at the various Ibero-American summits.

**Social Cohesion and Sustainable Development**

The Ibero-American trade union movement maintains that social cohesion must not remain a mere statement of intent but be translated into real economic, social, political, industrial and educational measures aimed at increasing the quality of life of the citizens of Latin America, based on high-quality democracy, the creation of full employment with decent jobs, an active and transforming role for the national States, permanent structures for social dialogue and the construction of a development model geared to ensuring social inclusion.

Public policies need to be aimed at removing the inequalities and exclusion experienced by many of our citizens. Creating a more inclusive society requires fiscal policies that

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<sup>1</sup> “El diálogo social y la concertación vehículos de la cohesión social iberoamericana”

<sup>2</sup> “La cohesión social y el desarrollo de políticas sociales para alcanzar sociedades más inclusivas en Iberoamérica”

provide for a substantial redistribution of wealth, through the establishment of a fair and progressive taxation system that taxes wealth and ensures the provision of basic goods and services to the whole population, whilst restricting investment and promoting investment in plant that can contribute to the overall productivity of national regions and the integration of production and adding of value in the sub-regions. Economic growth has not brought a fairer distribution of wealth in most of our countries. Taxation is the basis for public policies so states must make a firm commitment to taking active measures to prevent and penalise tax evasion and, in particular, financial speculation and the flight of capital.

The sustainable development of Latin American countries requires combining macroeconomic, industrial, social and environmental policies and gearing them to creating decent work.

Labour's Platform for the Americas affirms that the neo-liberal model has promoted the social polarisation of our countries through the privatisation of public goods and services. As a result we need a programme for rebuilding social cohesion through measures aimed at reducing illiteracy, providing universal high-quality public health care to all inhabitants, and substantially increasing public investment in basic and intermediate education programmes. In addition, it is vital to build national technical education systems linking training to the world of work, which are virtually non-existent in Latin American countries.

### **Social cohesion and social dialogue**

We reaffirm our desire to ensure that social dialogue and concerted approaches become an important instrument for social cohesion enabling progress to be made in our countries on participatory and representative democracy, thereby reinforcing the “solidarity state”<sup>3</sup> with social justice and respect for fundamental human and workers' rights.

Compared to the traditional form of social dialogue in Europe, most initiatives in Latin American and Caribbean countries have ended in failure by the employers (both public and private) to implement the commitments they made. Most social dialogue declarations have been isolated statements and there has been no checking of compliance with their deadlines and objectives.

The Ibero-American trade unions maintain that progress will only be made in implementing the agreements reached at the summits of Ibero-American Presidents and Heads of State if a genuine social dialogue is developed, based on the preservation and strengthening of the ILO standards and the implementation of the Resolution of the 2002 Summit on Social Dialogue and Tripartism. Social dialogue requires representative social partners (workers and employers) who are committed to that process and are recognised as being able to engage in autonomous bargaining.

The governments must guarantee the full exercise of economic, political and social rights, in particular the right to life, which is continuously violated in countries such as Colombia, Guatemala and El Salvador, together with freedom of association and the rights to collective bargaining and strike action.

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<sup>3</sup> “Estado solidario”

We are also calling on governments to decriminalise social conflict and to respect the right of all citizens to demonstrate freely in support of economic, social and political demands, by removing repressive practices.

Latin America needs to address urgently the problems facing migrants in the region. Social cohesion requires establishing policies that recognise the rights of migrants and their families, in view of the social exclusion experienced by workers obliged to emigrate from their homes and the economic impact of the brain drain, which is deepening disparities between nations to the detriment of less-developed countries.

The Ibero-American trade union organisations propose the establishment of a tripartite body charged with monitoring the various agreements reached at the summits of Ibero-American Presidents and Heads of State.

### **Social cohesion and strengthening of the political dialogue and cooperation components of the agreements between the European Union and Latin America and the Caribbean**

The Ibero-American trade union movement reaffirms its commitment to strengthening the economic integration processes through the addition of a strong social dimension, in both the regional processes with the European Union and those with a sub-regional dimension, in Latin America, such as the Recent UNASUR project and other existing integration processes. The regional integration processes are an alternative to the free trade and investment agreements, which involve some countries exerting dominance over others.

The Ibero-American trade union movement supports, at national level and in the regional and sub-regional integration processes, the creation of institutions that are genuinely open to the public and a form of decision-making that is more efficient and represents better the real needs and aspirations of our peoples, i.e.: freedom, democracy, social justice and peace. It also calls for collaboration between the institutions of these systems and those of the European Union, with the social partners being involved in the definition, application and monitoring of the policies resulting from that cooperation.

Since the Montevideo Summit, the most important news for the Ibero-American Community has been the extension of negotiations on the association agreements between the European Union and the Latin American sub-regions, covering MERCOSUR, CAN, Central America and part of the Caribbean. In that regard, the union organisations emphasise the huge challenge for Ibero-American countries of ensuring that the economic cooperation, social dialogue and trade agreements that are currently being negotiated become an instrument for preserving a sustainable form of development that is centred on full employment and decent work.

The unions note that the negotiating mandate of the European Union lists all the themes included in the FTAs signed by the USA in the region, in a kind of “WTO-Plus”, although it does also introduce a chapter on promoting sustainable development that contains some forecasts on trade and foreign investment. Here the declared aim is to “secure and facilitate environmental and social standards, maximising the positive effects and minimising the negative effects of the agreement, whilst addressing asymmetries by defining sensitive products and setting transitional periods in those countries that require them”.

We have witnessed how the FTAs and the agreements on protection and promotion of investment with the USA have become production platforms, like new export processing zones, that have mainly benefited the multinational enterprises, which have used the agreements to set up operations in our countries, increasing their structural competitive advantage, blocking the objective of creating full employment and decent work and provoking the break-up of the sub-regional integration processes.

When studying the impact on trade and workers of the agreements signed with Mexico (2000) and Chile (2001), we have particularly noted certain imbalances:

- rising national trade deficits as the price for increased trade between multinational groups, which re-export goods with little national input and no profits for local producers;
- foreign direct investment (FDI) channelled into the most developed national regions, taking advantage of the tax incentives and existing infrastructure;
- expensive yet low-quality services, subjected to no social requirements, provided by privatised essential public service sectors such as health, water and energy;
- participation of European companies in the financial and banking system, with no concern for social or sustainable development criteria (whereby credit and financial support should only be supplied if they promote sustainable development).

In adopting its precise strategy for these negotiations, the Ibero-American trade union movement has many statements to refer to, including the one at the International Trade Union Congress in Vienna in 2006, the content of which we endorse. Its chapter on trade expresses:

- opposition to any trade agreement that is based on free market neo-liberal criteria and does not promote fair and balanced trade;
- rejection of the strategy of those multinationals and local management elites that want to draw maximum profit from trade agreements whilst ignoring their social responsibilities;
- the link that is needed between these agreements and approaches to trade which, like the Labour Platform, can help generate a new economic policy that drives sustainable development centred on full employment and decent work, ensuring an active role for the State.

To that we would add our vision of a new type of trade agreement, which promotes trade based on socially just and fair exchanges, not just competitiveness but also complementarity, and which enables the diversification of internal goods, the strengthening of local markets and the regulatory role of States in the global economic insertion processes, based above all on meeting the most urgent needs of traditionally excluded sectors. We therefore endorse criticism of the USA's economic, trade and financial embargo on Cuba.

In addition to the above, the Ibero-American trade union organisations have further demands with respect to workers' rights and their participation that can only strengthen the cooperation and political dialogue components of the agreements currently being negotiated:

- The inclusion of social and workers' rights, based on the ILO conventions, other international legal instruments and the most advanced social legislation in each of the signatory regions.
- Regular and official arrangements for information, consultation and participation during the negotiation and implementation of the agreements, through the establishment of clearly-tasked consultation bodies for securing the active involvement of the social partners and civil society organisations in both Europe and Latin America and the Caribbean. We also endorse the proposals by the CC-SICA, ALAC, the FCES-MERCOSUR (economic and advisory forum) and the CESE to establish joint committees.
- The multinational groups need to assume their social responsibility and commit themselves to sustainable development, by aligning their behaviour with the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration on Multinational Enterprises, the UN Global Compact and the relevant international framework agreements signed by the Global Union Federations. They need to conduct their industrial relations through collective bargaining at national and supranational level, and to guarantee their social responsibility and that of their subsidiaries and sub-contracted firms.
- The cooperation between Europe and Latin America and the Caribbean needs to focus on building sustainable development. The disparities between the two regions mean that certain preconditions are required, together with provision for economic compensation via the Structural and Social Cohesion funds aimed at reducing the differences. Accordingly, the trade and economic objectives should not take precedence over the necessary social measures.

We call on the Presidents and Heads of State of Latin America to include in all economic and political association and cooperation agreements the requirement for full respect of the fundamental rights of workers.

We are concerned that the negotiating mandate defined by the European Commission for the Andean countries and those of Central America and the Caribbean, is similar to that for the FTAs signed by the United States, and as such is departing from the European social tradition that has been an important reference point for the countries of Latin America and the Caribbean.

## **On relations with the Ibero-American employers' organisations and the Ibero-American General Secretariat (SEGIB)**

After analysing the social dialogue and collective bargaining situation in the Ibero-American countries, which vary considerably, and the deterioration or weaknesses in many countries, the trade union organisations at the Summit in Cartagena de Indias agreed:

- a) To ask the employers' organisations to help remove the obstacles so that all Ibero-American countries can develop collective bargaining and social dialogue practices in line with fundamental workers' rights and the standards and guidelines of the ILO.
- b) To insist that the organisations representing Ibero-American employers make an active commitment to eradicating the violence and repression against legitimate and peaceful trade union activities, particularly in those countries – Colombia, Guatemala and El Salvador – where trade unionists are being assassinated, have 'disappeared', are threatened or have to move home as a result of exercising their rights as trade unionists.
- c) To propose that the next Ibero-American Summit of employers' and trade union organisations address the existing problems of national collective bargaining and social dialogue, with the determination to find concrete solutions for removing the barriers that prevent their exercise in many countries, whilst trying to promote supranational collective bargaining arrangements in line with the guidelines of the ILO, the OECD and the United Nations, and the framework agreements developed by the Global Union Federations with a growing number of multinational enterprises.

In the declarations of the Trade Union Summits of Madrid (2005) and Montevideo (2006) we stress the role that could be played by the Ibero-American General Secretariat (SEGIB) in facilitating dialogue between the social partners within their geopolitical scope, and establishing information and consultation processes for the social partners with the political leaders of the Ibero-American Community. The 2005 and 2006 joint declarations of the Ibero-American trade union and employers' organisations also called for the establishment, by SEGIB, of a permanent structure for dialogue between the social partners aimed at achieving those objectives. The organisations attending the Trade Union Summit in Cartagena trust that this structure for Ibero-American trade union and employers' organisations will soon be set up, based on the existing draft agreement for its constitution which includes most of the proposals from the Ibero-American trade union summits of Madrid and Montevideo."

**Cartagena, September 2007**