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## **2nd EUROPEAN UNION-LATIN AMERICA AND CARIBBEAN TRADE UNION SUMMIT**

Mexico City, 16 April 2004

### **GENERAL DECLARATION**

The European Union-Latin America and Caribbean Trade Union Summit, organised by the international organisations ICFTU, WCL, ETUC, ORIT and CLAT, was held on 16 April 2004 and was attended by workers' delegates from countries in both regions.

In the preceding days (13, 14 and 15 April), the delegates also took part in the 3<sup>d</sup> Meeting of EU-LAC Civil Society, putting forward the trade union point of view in the course of the debates.

This was the second trade union Summit of its kind, convened in a unitary fashion and open to all unions in Europe and Latin America – which in itself represents a significant contribution to the progress achieved by the trade union movement in strengthening and unifying its global action to uphold the interests of working people worldwide.

Only two years have gone by since the previous Trade Union Summit, held in Madrid, and most of the economic and social problems we highlighted at the time remain unsolved, undermining the living and working conditions of millions of people. Nonetheless, some changes have taken place in the political landscape of both regions, particularly in Latin America, and these changes give reason for hope that the social and economic situation might improve.

The election of Lula and Kirchner as Presidents of Brazil and Argentina respectively is pushing in a positive direction, both the internal situation in their countries and the various integration and partnership processes that are taking place throughout the continent, in addition to giving more weight to the region in international forums. In Colombia, Angelino Garzón and Luis Eduardo Garzón, two trade union leaders supported by emerging political movements were elected as Governor of El Valle and Mayor of Bogota respectively, opening up new perspectives for change.

In the context of this Trade Union Summit (and particularly in the context of the forthcoming summit of EU-LAC Heads of State and Government in Guadalajara), it is

important to draw attention to the impetus that Lula and Kitchner are giving to MERCOSUR, to the creation of synergies between the latter and the Andean Community and, in general, to the alliance between all Latin American countries at a time when they face major challenges and negotiations with third countries, regional blocs and multilateral bodies, as we saw in Cancun (WTO meeting) and Miami (FTAA meeting).

The so-called "Buenos Aires Consensus" signed by both Presidents, includes many of the analyses and proposals that the trade union movement has been putting forward in recent years, both in terms of the strategic view of the regional integration processes and in terms of recognition of the need to endow these processes with democratic and social contents.

Also in other LAC countries there have been noteworthy developments: the resignation of the President of Bolivia under pressure from mass mobilisations against the privatisation of oil in the Andean country and in the case Haiti where we follow with great concern the failures and systematic violations of human rights, together with the political and military external interference, rendering more difficult the search for a political and democratic solution with mass support.

In Europe, the most important political development is the imminent enlargement of the European Union, from 15 to 25 Member States and the resumption of the process to adopt a European Constitution, which will provide the EU for the first time with a constitutional text including a chapter on civil and social rights. Upon the whole, the European Trade Union Confederation takes a positive view of this text, believing as it does that, in spite of the fact that the Constitution does not fully reflect the aspirations of citizens and workers as regard democratising the EU's institutions, it does make some significant progress in this direction.

The terrible attacks of 11 March in Madrid, which the Summit firmly condemns, has highlighted both the serious threat posed by terrorism internationally and the need to combat it with all legal means available to the international community. It has also thrown into sharp relief the serious political mistake made by those who aligned themselves unconditionally with Bush, divided the EU and took part in an unjust and illegal war as well as in the subsequent military occupation of Iraq where, far from abating, the conflict is becoming increasingly more violent, thus adding to the misery of the population and to insecurity in the region.

The result of the elections in Spain opens new perspectives for the progressive forces and for the European and Latin-American trade union movement in the view of a greater dialogue and understanding between the countries of both regions.

We hope the EU will become a global player with a fully-fledged and genuinely independent foreign and security policy – a player capable of acting autonomously and making its own distinctive voice heard on the international scene. Trade unions support the efforts of all progressive European forces to prevent discrimination, racism and xenophobia against immigrants and other minorities and to fully recognise their social and civil rights.

In the social field, the great pending problem faced by the EU is still unemployment and job insecurity at national level together with the persistent attempts to make labour markets more flexible and to weaken social security systems. The European trade union movement is engaged in a permanent struggle to uphold the European social model, which is a distinctive feature of the European construction process. The enlargement of

the EU poses a new challenge to the European social model. The ETUC and its affiliated organisations are engaged in the reduction of the asymmetries in the new Member States.

## **COORDINATING EUROPEAN AND LATIN AMERICAN TRADE UNIONISM**

The ETUC Congress held in Prague in May 2003 adopted an Action Programme calling for a more active involvement of the EU in international politics and hence for increased cooperation on its part with the ICFTU and WCL as well as with the trade union structures in the countries and regional blocs with which the EU has signed or intends to sign trade or partnership agreements.

For the first time, an ETUC Congress called for reform of the Common Agricultural Policy (CAP), including steps to put an end to agricultural export subsidies, which have been a major hindrance in the negotiations with MERCOSUR.

By the same token, the ICFTU and WCL are developing and maintaining ongoing support for the challenges and proposals put forth by their regional and national organisations in Latin America.

This period has seen the consolidation of the ICFTU-WCL-ETUC Working Group, which deals with Latin America and with issues concerning the World Social Forum, as well as a strengthening of the ETUC's relations with several sub-regional structures. Particularly significant developments are the creation of the MERCOSUR-European Union Labour Forum and the first joint Trade Union Declaration of the ETUC and the Andean Consultative Labour Council.

In the course of this Summit steps have also been taken to start permanent coordination between the Mexican trade union confederations and the ETUC, which have signed a joint Declaration on the EU-Mexico Framework Agreement.

As regards Central America and the Caribbean, the Summit enabled trade unionists in these areas and in Europe to establish contacts which will be developed in future with a view to influencing the negotiations that the EU will undertake in relation to the integration processes of these sub-regions.

Trade union coordination between the ETUC, ORIT, CLAT and the sub-regional coordinating bodies is one of the key objectives that the Trade Union Summit discussed at length in relation to the development of the trade union movement and the need to strengthen international action, cooperation and solidarity among workers and their organisations. It has also denounced the need to react against restrictions on workers' rights in many companies, particularly in transnational corporations, and also at the hands of governments, particularly in the free export zones.

The current challenges call for a deeper and more systematic coordination between the ICFTU, WCL, ETUC, ORIT and CLAT in order to define common and coordinated policies in the region that will benefit the workers.

The Trade Union Summit welcomes as a significant achievement the progress towards a greater unity of the workers as reflected by the composition of the Summit itself and the coordination work undertaken by the MERCOSUR trade union structures (CCSCS and CTCS), with the Andean Consultative Labour Council (CCLA) as well as the coordination activities between the MERCOSUR and CAN (COMUANDE) Women's Coordinating Bodies.

By the same token, the Trade Union Summit expresses its firm support for the significantly important steps taken to secure unity of action in many countries over the last several years.

## **THE EUROPEAN-LATIN AMERICAN PARTNERSHIP AT THE CROSSROADS**

The first Summit of Heads of State and Government of the European Union, Latin America and the Caribbean, held in Rio de Janeiro in June 1999, agreed to establish a Strategic Bi-Regional Partnership. However, progress is rather limited as we pointed out at the Madrid Summit and as the European Parliament has also remarked more recently.

At any rate, we can only speak of partial achievements, such as for example the signing of bi-regional agreements on political dialogue with Central America (8 December 2003) and the Andean Community (15 December 2003), which are regarded as temporary agreements to act as stopgaps until a Partnership Agreement like the one currently under discussion between MERCOSUR and the EU can be finalised.

As regards the MERCOSUR-EU agreement, following many disappointments due to the absence of results, we hope that the conclusion of the agreement will finally become a reality in October 2004, as has been announced. It is also to be hoped that the agreement will effectively balance the interests of both regions and enshrine the democratic and social values which trade unions have been demanding for some considerable time.

The 3<sup>rd</sup> Summit of Heads of State which will also take place in Guadalajara (Mexico) on 27-28 May 2004, will be held in an ambivalent Latin American, Caribbean and international context, characterised by serious conflicts that threaten the world peace.

In the LAC region there are the shadows of the situations, such as Colombia, which is still deeply immersed in violence, with as yet no sign of a peaceful and democratic way out, or several others that are experiencing a period of great political instability with the systematic violation of human rights and liberties.

The Trade Union Summit has expressed its concern and condemns both the growing trend seen in various countries to "penalise the social struggle", and the prevailing impunity of serious corruption, pointing out the responsibility of the corrupt and those who corrupt.

In these cases the European Union and LAC, as part of the Bi-Regional Partnership, may play an active role in solving the crises by promoting the respect for the sovereignty of the countries, promoting civil dialogue and social concertation with the aim of finding negotiated solutions and to re-establishing full respect for human rights and democratic rules.

## SOCIAL COHESION IN LATIN AMERICA

A central issue on the agenda of the Guadalajara Summit will be social cohesion in Latin America and the Caribbean region. EU Commissioner Chris Patten requested the EESC to draw up an opinion, which was adopted by the committee and presented at the Meeting of Civil Society. The opinion was complemented by contributions and views from employers associations, trade unions and other Latin American organisations.

The opinion contains extensive data – which we do not require to repeat here – highlighting the widespread incidence of poverty, malnutrition, inequalities in the distribution of wealth, inadequacies of the social protection systems, unemployment, increased job insecurity, corruption, criminality, and general dissatisfaction with institutions among the population in Latin American and Caribbean countries. We stand by the analysis made at our previous Trade Union Summit: “Latin America is the region with the highest level of social inequality in the world, and this undermines governance and weakens the chances of maintaining democracy. This situation is aggravated by the concentration of wealth and of land ownership, the cost of servicing the foreign debt, the resources diverted towards militaristic goals and the arms race, corruption and impunity. The trade union movement and other organised sections of the population are not allowed to take part in the bodies responsible for deciding on the policies and programmes that affect them. On the contrary, trade union and social action is generally repressed. Political democracy must be complemented by economic, social and cultural democracy, and by recognition of the diversity of the peoples of Latin America.”

Latin America is the main area in the world where individually funded retirement and pension schemes have been privatised.

After 23 years in Chile and several years in other countries, the failure of this system can be demonstrated by simply comparing it to the promises made: it entails lower levels of coverage (one of the main problems in the region), the societal costs of transition are enormous, accounting for a significant proportion of external and internal debt, the costs for workers are very high (overstepping wage conditions), the benefits are not as comprehensive, less than half of the members of the pension fund administrations and similar schemes are contributing and will achieve the minimum pension levels (the situation is more serious for female workers and sectors with fewer resources), and there has been no impact on economic growth, savings or productive investment.

In general, a new trend towards concentration and monopoly is threatening the institutions; there is no involvement of workers.

The workers' organisations, fully aware of the seriousness of this problem, have mobilised. They are continuing to struggle (as workers in Mexico are currently doing) to recover a heritage that belongs to the workers and to promote a new universal, integrated and solidarity-based system, one which stands in contrast to the new wave of privatisation.

The Trade Union Summit supports the work done by the retired workers of the LAC in their organisations to create and expand the public pension system with the support of their national federations and the international organisations of retired and elderly persons.

In order to reverse this situation and move towards greater social cohesion in Latin America, action is required on the political, economic and social fronts. On the one hand, it is necessary to reinforce democratic institutions, the social power of the State and the effective exercise of civil rights. On the other hand, the economic production system must be strengthened to generate more jobs and better wages.

Reducing the amount of money spent on defence and redirecting it into social investments (such as education, health care, housing and social protection) would undoubtedly make it possible to make significant progress towards achieving greater social cohesion.

Accordingly, it is essential to reinforce and empower the central government so that it can overcome weak and delicate situations created by the imposition of neoliberal policies focussing solely on the almighty market, and so that it can efficiently and consistently play its key role of promoting and guaranteeing the common good, sound finances and full enforcement of social justice as key paths towards full development and peace.

The role of civil society is essential to achieve the objectives of social cohesion and this is particularly true in the area of industrial relations. In spite of the existence of a long tradition of trade unionism in the LAC region, workers' organisations are not sufficiently recognised, collective bargaining is not a widespread practice; instead its viability is decreasing significantly due to serious conditions imposed by governments and employers and workers' rights are violated in many countries.

## **THE FTAA AND INTEGRATION PROCESSES IN THE LAC REGION**

The Trade Union Summit reiterates the positions already expressed by the Latin American trade union organisations rejecting the FTAA threat, which is a component of neoliberal conventional wisdom, and the strategy of globalisation.

Together with many other civil society organisations and grassroots movements, Latin American trade unions have actively participated in the campaigns to reject the proposed agreement for the creation of a Free Trade Area of the Americas (FTAA), be it within the framework of a general agreement or via bilateral free trade treaties.

The design of the FTAA is based on NAFTA (United States, Canada, Mexico) and, like NAFTA, it sets out to establish a neoliberal economic order which undermines national sovereignty to the advantage of the main partner, the United States, granting extensive privileges to transnational corporations and ignoring the rights of workers as well as environmental concerns.

The US Secretary of State has stated that the objective of these treaties is to create better conditions which benefit American transnational corporations.

The implementation of the FTAA and of other FTA would be incompatible with genuine political, social and economic integration in the LAC region and would undermine the efforts undertaken towards this goal through the sub-regional integration processes.

It is important to highlight the active role played by trade union organisations in Canada and the United States in fighting these treaties.

The trade union movement will strive to strengthen its links with other civil society organisations while at the same time maintaining its autonomy, and will contribute to the debate with solutions and proposals within the framework of social forums.

The Trade Union Summit welcomes the results of the NGO European-Latin American Forum held in Patzcuaro, which coincide with our own conclusions. More specifically, we agree with the analysis and proposals connected with the issue of "land, food sovereignty and family farming", "policies of inclusion for our brothers and sisters of indigenous and African descent", and the issue of "emigration and its economic and social impact".

The confluence of labour and social organisations in Latin America cannot simply boil down to rejecting these treaties. Rather, pursuant to a process of respectful and creative dialogue and consultation, we must meet the challenge of drawing up and promoting proposals for genuine subregional and regional integration making it possible to consolidate democracy and progress towards an alternative model of integrated human development.

The Trade Union Summit welcomes the upcoming CLAT Congress (2004) and ORIT Congress (2005). More specifically, the Summit encourages the recovery and further development of the Agreement on Unity in Action signed between the two organisations.

The delegates present at this Second Trade Union Summit paid tribute to Emilio Máspero and Luis Anderson, both deceased, who not only served as the leaders of their respective organisations (CLAT and ORIT), but had also been exemplary activists since their youth.

The Trade Union Summit enjoyed the support of the Mexican trade union confederations (CTM, CROC, UNT, COR and CNT), the European Economic and Social Committee (ESC) and ACTRAV-ILO. It also enjoyed the cooperation of the Mexican Secretariat for External Relations, on whose premises the meeting was held.

## **Message to the Heads of State and Government of the European Union, Latin America and the Caribbean**

The Trade Union Summit calls on the Summit of Heads of State and Government to take into account its views on the above-mentioned issues and, bearing in mind the fact that the high deficit of social cohesion wreaking havoc in the LAC and the risk that the LAC will be weakened within a 25-member EU will be the key issues of debate, the Second European Union-Latin America and Caribbean Trade Union Summit:

### **REQUESTS THAT:**

(l) the heads of state and government of the EU and LAC take determined steps to tackle, within a spirit of compromise and unambiguous action, the underlying causes of the alarming level of social disruption in the LAC and the current pressure on the "European social model".

Accordingly, integration processes or negotiations under way must have precise and measurable objectives: eradicate poverty, hunger, infant mortality and malnutrition,

unemployment and extreme job insecurity, pressure on weakened social security and solidarity structures and on what remains of the bodies responsible for establishing social and labour legislation and standards, the tragic impact of all of this on the most vulnerable segments of our societies, namely young people, migrants, the disabled and the elderly.

Accordingly, we stress the need for action- and consultation-oriented policies and tools consistent with these superior, ongoing social and humanitarian objectives. We also call for lower spending on defence - since such is now totally unjustified - and a sharp increase in social investment (health care, education (including political and trade union training), housing, social protection, etc.).

(II) The fundamental Labour Conventions, particularly those enshrined in the 1998 ILO Declaration on Fundamental Principles and Rights at Work, be ratified and implemented. Special attention should be given to ensuring compliance in transnational companies.

The Trade Union Summit urges that steps be taken to promote corporate social responsibility, in particular in European multinational companies and urges the drafting of a "Charter of Principles on Corporate Social Responsibility".

The governments of the LAC and EU should ensure full respect for human rights and the freedoms of workers, their organisations and peoples, including economic, social and cultural rights.

We urge that the ILO be recognised as the social pillar of a new architecture for global governance. Therefore, its status as an international institution should be on a par with that of the IMF and the World Bank, and it should be able to influence their policies.

Multilateral institutions should support the conclusions of the new ILO World Commission with regard to the social dimensions of globalisation.

(III) In all countries (such as Mexico and others) where they still do not exist, mandatory consultation bodies with the ability to take initiatives should be set up along the lines of social and economic committees, with the aim of promoting social dialogue and concertation and the active participation of the representatives of the workers, the employers and other social organisations.

In this context we propose that a Latin American Economic and Social Committee (LAESC) be created with the aim of promoting social cohesion, with the participation of the regional organisations and that this body establish links with the EESC of the European Union. Furthermore, we propose that the EU assign resources to the EESC to support the LAESC during its start-up phase.

(IV) The EU-LAC Partnership should give priority to strengthening the democratic processes in all countries as well as to putting an end to political violence and eradicating corruption and impunity. To this end we support the existing plans to set up a European-Latin American Political and Security Partnership, the signature of a European-Latin American Charter for Peace, and the creation of a Transatlantic Parliamentary Assembly.

(V) All EU and LAC countries should ratify recognition of the International Criminal Court in order to combat impunity.

(VI) Urgent measures should be taken, without however encroaching on Colombia's national sovereignty, to resume the peace process in that country. Heads of State and Government should insist on this until they succeed in bringing the opposing parties back to the negotiating table and consolidating political negotiations as the only viable solution to the conflict. Guerrilla groups and paramilitary organisations should cease or indefinitely suspend armed hostilities, while for its part the government should accept that a solution to the civil conflict cannot be based on the mere use of force.

(VII) The United Nations should assume its responsibility in Haiti so as to put an end to the violence, to promote national reconciliation within the framework of holding elections in the near term. It should accompany this with an Integrated Development Programme designed to create jobs and stamp out poverty.

(VIII) Legislative measures should be taken to ensure that immigration host countries recognise full civil rights for immigrants, respect their dignity and value their cultural contribution.

(IX) Furthermore, we urge the Heads of State to conclude the EU-MERCOSUR Partnership Agreement by October 2004 in a spirit of fairness, which guarantees balanced and harmonious economic and social development; to review the EU-Mexico Partnership Agreement so as to provide it with greater social and participatory contents; to start negotiations for the establishment of a Partnership between the EU and the Andean Community of Nations, Central America and the Caribbean; and to take on the board the proposals made by the trade union organisations to include a chapter on social and labour issues in these agreements.

(X) The Summit should demand that the United States lift the embargo which it has imposed on Cuba and which is seriously harming the economy of the island and the living conditions of its inhabitants, and should lead the reactivation of a political dialogue leading to the conclusion of an EU-Cuba Cooperation Agreement.

(XI) The Third Trade Union Summit notes that trade union leaders are being held prisoner under trumped-up charges in various Latin American countries as a result of their trade union struggle and asks the Summit of Heads of State and Government of the EU and LAC to take the measures necessary to secure their immediate release.

(XII) We urge the government of Venezuela and the opposition, in connection with the current conflicts, to respect the constitutional channels and to refrain from any moves to hinder or force determined action by citizens. The difficult situation must be overcome through dialogue and political, peaceful and democratic consultation, with the full and free involvement of the people.

(XIII) We urge the adoption of concrete measures to solve the problem of the foreign debt, including procedures to establish the legitimacy of the debt on a case by case basis, and putting the right of peoples to grow and develop ahead of repaying the foreign debt.

Furthermore, the governments of the more developed countries should fulfil their commitment to assign 0.7% of GDP to development cooperation and should also seek other means of ensuring a more equitable distribution of wealth at both the national and international levels, such as, for example, social compensation funds, a tax on capital transfers and funds based on common international assets. All of these

measures should be geared to combating poverty and promoting sustainable development and social justice.

**Mexico City, 16 April 2004**

**CONVENING ORGANISATIONS:**

ICFTU (International Confederation of Free Trade Unions)

WCL (World Confederation of Labour)

ETUC (European Trade Union Confederation)

ORIT (Inter American Regional Organisation of Workers)

CLAT (Central Latinoamericana de Trabajadores)