

Resolution 12

AMERICA AND THE WORLD NEED A NEW APPROACH TO TRADE AND GLOBALIZATION

THE UNITED STATES is in talks regarding three new trade and globalization agreements—and more are being developed all the time. Over the past 25 years the United States negotiated trade agreements that both reflected and promoted the rise in corporate power at the expense of working people. It has created a system of global governance—by global corporations—with no counterbalance or check on growing corporate power. These agreements have fueled the profits of companies that have outsourced and offshored, but they have suppressed American workers' wages and their standard of living.

Global enterprises seeking to suppress wages, pollute our air and water and violate our fundamental labor rights must no longer be the architects of trade policy. Instead, trade policies must empower workers to organize and act collectively to ensure their work is safe, secure and fairly paid; that they have adequate access to education, recreation and decent housing; and that their elected representatives work to advance the general welfare rather than substituting corporate interests in their place and hoping for some trickle-down benefits.

Because trade and globalization agreements encompass these important policy issues that go far beyond tariff reductions, we strongly support increased congressional consultation, participation and oversight in trade policy formation and increased public participation and scrutiny both during the negotiation process and after implementation. Twentieth century-style “fast track” trade promotion authority, which we continue to strongly oppose, was undemocratic and wholly inadequate to provide the transparency, accountability and oversight necessary to the task, and was part of the reason working families have been left behind by these agreements.

The trade agreements currently being negotiated are:

TPP (The Trans-Pacific Partnership)

The United States and 11 Pacific Rim nations—Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam—are negotiating the TPP. While at the outset of negotiations, the agreement had great potential to set down rules for people-centered trade, it now seems likely to be yet another in a long string of trade agreements that elevate corporate interests at the expense of working people. It appears unlikely the agreement will rectify the mistakes of past trade policy, particularly in the areas of currency, rules of origin, procurement, deregulation, labor rights, public services, investment, access to medicines, environmental protections or financial services.

TTIP (The Trans-Atlantic Trade and Investment Partnership)

In 2013, the United States and the European Union began talks on a Trans-Atlantic Trade and Investment Partnership (TTIP). Increasing trade ties with the EU *could* be beneficial for both American and European workers but, as with all trade agreements, the rules matter. Generally speaking, both regions have advanced economies, high national incomes and well-developed legal and regulatory regimes designed to protect the environment and defend workers' rights. And in many respects, the European nations' social programs to protect families and the environment exceed those of U.S. laws and regulations. Therefore, the TTIP must employ a people-centered approach and not be a tool to promote deregulation and downward harmonization of standards. Nor should the TTIP be a vehicle for lowering U.S. standards for government procurement or public services.

TISA (The Trade in International Services Agreement)

In 2012, the United States began negotiating the Trade in International Services agreement with Australia, Canada, Chile, Chinese Taipei (Taiwan), Colombia, Costa Rica, the European Union, Hong Kong China, Iceland, Israel, Japan, Korea, Mexico, New Zealand, Norway, Pakistan, Panama, Peru, Switzerland and Turkey. The agreement's biggest risks are rules that promote privatization of public services and restrict the ability to regulate in the public interest.

In the TPP, the TTIP, the TISA and any other new trade and economic commitments, the United States and its trading partners have the opportunity to deliberately choose a different set of policies, but they will not do so voluntarily. Promoting shared prosperity in the global economy requires the free exercise of labor rights globally and reforms in trade and economic policy to create demand-led, worker-focused growth.

Workers must stand together globally to force our governments to choose a different path.

A people-centered trade policy will:

- **Create shared gains for the workers whose labor creates society's wealth.** Trade agreements must require nations to adopt, maintain and enforce universally recognized labor standards, as set out in the ILO core conventions and their related jurisprudence, so that workers are empowered to act collectively to ensure they can share the gains of trade and raise their own standards of living. The labor provisions must cover all workers regardless of sector or national origin and must be fully and effectively enforceable—using trade sanctions if necessary—in a timely manner. Labor provisions must clearly establish a floor, not a ceiling on labor rights—and these rights must not be open to challenge by investors who wish to avoid obligations to their workers.
- **Strengthen protections for the environment.** Companies must not use trade rules to pit one country's environmental rules against another, as they seek the lowest-cost place to produce. That approach creates a significant threat to the world's

ability to address serious environmental threats and to worldwide public health. Environmental provisions must be as strong and enforceable as the commercial commitments.

- **Protect the freedom to regulate in the public interest.** Trade agreements must not be thinly disguised tools to make it easier to increase shareholder profit by poisoning workers, polluting the environment or hiding information from consumers. Working families must be able to keep and expand upon public interest protections—and trade policies must protect, not degrade, these protections.
- **Set rules for fair competition.** Workers of a nation must not be unduly disadvantaged by unfair economic competition resulting from choices about how to organize their economies. Choices about state-owned and state-supported commercial enterprises (collectively, SOEs), value-added taxes, the use of industrial or manufacturing policies, economic development, procurement and social justice policies should be made democratically by the citizens of a nation. However, the rules of international trade and globalization must also allow for mechanisms that level the playing field so that these choices cannot be used as weapons in an effort to achieve growth through a “beggar thy neighbor” approach.
- **Include strong rules of origin so that trade agreements are not merely a conduit to ease the global corporation's race to the bottom.** Weak rules of origin give global companies a free pass to locate production in nations that have not made reciprocal promises as part of a trade agreement to raise standards and abide by agreed rules. Weak rules of origin can decrease, rather than promote, shared prosperity.
- **Not provide extraordinary privileges to foreign investors.** While foreign investment can be beneficial, rules that promote it by offering foreign businesses greater procedural and substantive rights than domestic investors, including the right to bypass state and federal courts, are unjustifiable and destructive. Investor-to-state dispute

settlement procedures must not be included in any future trade agreement. These extreme private property protections jeopardize efforts to create shared prosperity.

- **Effectively address currency manipulation.** Current trade agreements have allowed other countries to engage in strategic currency manipulation that supports their exports and unduly disadvantages U.S. exports. A people-centered trade policy will provide mechanisms to address this abusive practice and ensure a level economic playing field for workers and industries in all countries party to an agreement.
- **Retain the ability for all nations to stimulate their economies through domestic infrastructure and spending programs.** Trade agreements must protect “Buy National” policies. Trade agreements should not constrain federal and sub-federal procurement rules that serve important public policy aims such as local economic development and job creation, environmental protection and social justice—including respect for human and workers’ rights and promotion of disadvantaged business enterprises.
- **Protect the right of governments to choose the scope and level of public services to provide.** Trade agreements must not include regulatory restraints or disciplines that would lower the quality of public services, reduce access to them, adversely affect working conditions or promote privatization of those who provide such services. Public services, designed by the society to provide a minimum level of services for all, must not be undermined by any trade agreement.
- **Protect intellectual property (IP) in a fair and balanced manner.** IP protections—designed to promote innovation and serve the public interest—are critical to creating and maintaining domestic jobs, as well as to increasing exports. The U.S. economy produces many products for which IP is critical, from movies, television shows, sound recordings and documentary productions to software, medicines, fiber optics, specialty steel and countless other products. In particular, the

creative arts economy is a significant contributor to economic growth, the gross domestic product of our nation and our rich cultural heritage. All working people prosper when we promote and protect the unique and original artistic and cultural contributions of American artists and entertainers. Trade agreements must support the livelihoods of the creators of intellectual property while also promoting legitimate competition—particularly in the area of generic medicines. A people-centered trade agreement puts the public interest first and does not create rules that advantage and reward anti-competitive behavior.

- **Protect the unique U.S. transportation regulatory and legal structure.** Foreign interests have long sought and are continuing to seek increased access to the U.S. aviation and maritime markets by weakening U.S. regulations and laws in international trade agreements. These industries and their workforces should not be subjected to the regulatory interests of foreign governments and corporations. Rather, the existing network of laws and bilateral transportation-specific negotiations should be preserved in order to best protect the interests of the U.S. transportation workforce and promote competitiveness in the international marketplace.
- **Protect the right of governments to secure the integrity and stability of their financial systems.** The global megabanks have attempted to promote financial deregulation through trade agreements—this destabilizing practice must end. In particular, financial services provisions of trade agreements must protect the right of nations to institute capital controls and employ prudential measures as necessary to stabilize the financial system.
- **Be negotiated in an open, democratic and accountable manner.** Sunlight is the best disinfectant. Only when working people know what rules are being negotiated in their names can they exercise their rights as citizens—their rights to organize, mobilize and advocate for rules that put the common good over narrow, private interests.

- **Be flexible and responsive.** Nations must be free to change the rules of trade when they discover that the rules in place are not achieving shared prosperity, a healthy living environment or a sustainable economy.

Therefore, we commit to:

- Educating our members—and all workers—about the causes and effects of the current model of globalization, that there is another way, and that we need to act collectively to achieve a higher standard of living.
- Reporting and publicizing to members and the general public the results of existing trade agreements and trade policy on the quality of life for U.S. workers, including the impact on jobs, wages and bargaining power.
- Ensuring strong enforcement of trade agreements and trade remedy law, including by working to ensure sufficient funding for the Interagency Trade Enforcement Center.
- Ensuring that U.S. trade agreements reflect a people-centered policy by recommitting our opposition to 20th century-style “fast track” trade promotion authority that allows trade and globalization agreements to become law with limited debate, no amendments and no opportunity to send the administration back to the table to achieve the principles laid out above.
- Continuing our work to use the labor provisions of the Generalized System of Preferences and various trade agreements to hold countries to their obligations to protect labor rights.
- Demanding greater transparency and inclusiveness in creating U.S. international economic policies, consistent with democratic principles.
- Organizing our members, community allies and all workers to demand better—to demand trade that creates shared prosperity in the TPP, TTIP, TISA and any future trade agenda.
- Developing and executing joint strategies with partners in the international labor movement to shape a pro-worker agenda for trade policies.
- Utilizing all available strategies, including social media, to go beyond education and accomplish organization and mobilization.
- Ensuring that the U.S. policies reflect reforms needed to make U.S. producers and their employees more competitive in the global marketplace, including:
 - Enacting the currency legislation that ensures the administration can treat currency manipulation as a countervailable duty;
 - Enacting expanded and enhanced skills training for all workers, not just those whose jobs have been displaced by trade;
 - Increasing federal funding to upgrade and rebuild ports, airports, railroads, roads, schools, water systems and other critical public infrastructure so that the United States does not lose private investment due to its old and crumbling public facilities; and
 - Strengthening trade enforcement and anti-dumping remedies.
- Fighting to defeat any trade agreement that fails to prioritize the needs of working families and advance shared prosperity in the global economy.
- Holding our elected representatives accountable for their trade policies.
- **TPP:** So long as the TPP appears poised to promote the rights of the 1%—rather than shared gains from trade—we, along with our international labor movement and civil society partners, will oppose its adoption and implementation, devoting resources to create a national campaign.
- **TTIP:** The AFL-CIO is committed to partnering with the ETUC, other European national union centers and civil society allies to ensure the TTIP does not go the way of prior trade agreements, which have promoted corporate benefits at the expense of workers. We will develop and execute a joint

strategy that reflects our principles. We will devote resources to ensure that members of the labor movement are educated, informed and active in the strategy.

- **TISA:** With international labor movement and civil society partners, we will develop and execute a joint strategy to shape the TISA into a positive vehicle for shared prosperity, and together devote resources to ensure that members of the labor movement are educated, informed and active in the strategy.