The impact of trade and investment agreements

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Who gains from globalisation?

- Views over where globalisation is going and where we want it to go, shapes views on current trend for trade agreements, 286 by 2017
- One; we all benefit from maximum liberalisation, minimal barriers,
- Another; huge social costs, within and between countries, becoming more unequal,
- But, varies: big gainers from more trade, on their own terms, losers from unrestricted imports,
- Depends on situation, potential, other policies.
Trade union responses

- Differing union positions, also weak influence (closed doors, business stronger),
- GUIDE, followed ACTRAV (ILO Bureau for Workers’ Activities) proposal and funding,
- agreements happening, need to be able to comment on/become involved,
- cannot have blanket view, good and bad both possible,
- understand what is happening, basis for judging and being actively involved.
Growth in free trade agreements

- WTO, formed 1994, sets rules to facilitate international trade,
- deadlock in recent years, differing aims of richer and poorer countries,
- ever more bilateral and multilateral agreements,
- varied motives and sometimes changed little,
- evidence of benefits often shows little, formal barriers already low,
- gains from integration, but needs investment, support, potential, not just trade liberalisation.
What business interests want

● Business as driver; harmonise regulations, access for services, protect ‘intellectual property’, public procurement,

● regulations? protection of environment, product safety, financial system,

● how to get same rules? easiest is to reduce; restrict new rules; formal ways to influence, right to set own policies will be reduced,

● EU – uniquely, power to set common rules.
Labour provisions

- Not in WTO remit, 1996, responsibility of ILO, protectionist and harmful to developing countries,
- included in US agreements from 1994 (then EU +, 76 in 2015),
- US enforcement, notably with third world countries with bad labour rights, but never used,
- best, not all, ILO 8 core conventions from 1998 declaration (incl TU and bargaining rights),
- conclusion; little impact, greatest before signing, maybe direction for countries already reforming.

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Investment agreements

- Investment agreements increasingly with trade agreements,
- trend, 2329 in force, 2017, as ISDS showed its potential for business
- MNC (foreign) can claim compensation (huge) if interests deemed harmed by a government, decision by arbitration panel of 3, no appeal,
- restricts ability to set, change and implement policies (incl environment, financial regulation, public services).
The way forward

- Are great benefits from international integration, also dangers for ability of government and parliament to decide policies,
- Important to retain rights to regulate and to change policies: not enough just to state that,
- Labour clauses can never compensate for other negative features,
- Good ideas for strengthening them, but limited potential, never policy makers’ priority.