the labour conditions in Mexico? No, not at all. Maybe this will help them to defend their workers but it also helps us. If we establish a strategy of a race to the top, instead of a race to the bottom, of the labour standards in a way that this can benefit the workers of the North but also of the South, that's good. But to do this you need a transnational strategy, an international strategy to preserve labour rights on the one hand and to improve them on the other. That's the only way to break the blackmailing of the transnational companies”29.

After NAFTA was approved and in the years following its implementation in 1994, many things happened in Mexico to impact the whole society and the trade union movement as well: the explosion of the financial crisis of 1994-5, the Zapatistas uprising, the fall of the PRI from the government. Most of the bureaucratic apparatus of the corrupted big confederations faced a crisis too. There was a growth of the independent trade union movement, important trade unions like the Telephone Workers Union and the Social Insurance Workers Union quit the official confederations and joined organizations like the UNT (National Union of the Workers). The Electricity Workers Trade Union guided a reorganization of the trade union movement from which later the National Trade Union Front emerged. This also had an impact on union’s positions on free trade agreements, especially in the campaigns that brought to defeat the FTAA (Free Trade Agreement of the Americas – Area de Libre Commercio de las Americas, ALCA).

2.4 The CUT Brazil

The CUT Brazil is the biggest national union center in Brazil and in Latin America and the 5th largest in the world30. In the last decades the CUT faced various parallel dynamics connected with trade. One of them is the MERCOSUR. Since the first agreement between Argentina and Brazil, signed by the two Presidents Alfonsin and Sarney in 1991, which developed into the

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29 Hector De La Cueva, Interview on January 27th, 2009, by Bruno Ciccaglione

30 “Present in all economic sectors of the country, the CUT is the biggest national central in Brazil and in Latin America and the 5th largest in the world, with 3,299 affiliated entities, 7,116,278 associated workers and 21,092,160 workers in the base”. The Central Unica dos Trabalhadores was founded in 1983, a couple of years before the end of the military dictatorship began in 1964. “A broad process to restructure society began at the end of the seventies and continued in the mid-eighties. At the same time, the dictatorship weakened and the reorganization of many sectors of civil society allowed them to begin to express themselves publicly, initiating the process of redemocratization in the country” - http://www.cut.org.br/content/view/2883/289/1/1/.
creation of the MERCOSUR in 1994, this was a key issue for the CUT. Moreover, the creation of the MERCOSUR would prevent bilateral FTAs for Brazil, which formally only affected Brazil as a member of the MERCOSUR. For these reasons since the beginning the CUT faced the creation of such a common market with an international approach, using as a starting point the already existing coordination of the CONOSUR Trade Union Confederations. This coordination was born in 1986 as a common tool on the issue of the external debt and to build solidarity between the TUs of countries like Chile and Paraguay -still suffering military dictatorships – and those of countries (Brazil and Argentina) that were in the middle of a process of re-democratization. With the discussion and then the implementation of the MERCOSUR, this coordination became almost exclusively dedicated to this issue. It must be noted that - according to the CUT representative Kield Jacobsen - the stronger neoliberal approach of the MERCOSUR was still to come, and the focus was not so trade-centered. The CUT, within the CONOSUR coordination, decided to push for three main demands: (1) the creation of a “Labor Charter” within the agreement, much wider than a “social clause” debated at the multilateral level in the GATT (and later on in the WTO) and not only based on “basic labor rights”, but including issues like migration and social security; (2) the establishment of some financial funds, on a model similar to the EU provisions, in order to support the productive restructuring and the changes in the economies and the professional qualification of workers; (3) the democratization of the MERCOSUR decision making process, that was originally designed to give almost any decision to the heads of the governments, in order to involve other political institutions (the Parliaments and even local municipalities).

Not all of these demands were successfully included in the MERCOSUR, or they took a long time to be accepted. It was only in 1998 that the “Labor Charter” was finally transposed into a Social Labor Protocol signed by the four governments of the MERCOSUR. The funds created never exactly corresponded to the TUs demands. The demand for a democratization of the

31 Argentina, Brazil, Paraguay and Uruguay on March 26th, 1991, signed the Asuncion Treaty which created the Common Market of the South, MERCOSUR. [http://www.mercosur.int/msweb/portal%20intermediario/es/index.htm](http://www.mercosur.int/msweb/portal%20intermediario/es/index.htm)

32 Kield Jacobsen has been Secretary for the International Relationships of the CUT Brazil and General Secretary of the Hemispheric Social Alliance. Now he works also for the Social Observatory, created by the CUT in order to monitor the concrete violations of labor and social rights provided by trade agreements.
process produced some results but not as many as the TUs claimed were necessary. What is important to underline here, is that even in a process that was not considered fully as a neoliberal one, and that was not only centered on a trade agenda, the CUT chose to approach it from the beginning with an international perspective, with common demands of the CONOSUR TUs, and demanding a range of provisions much wider than a social clause.

At the multilateral level (GATT and WTO), when the discussion focused on the possibility to include a social clause into the agreements, the CUT “adopted a position that is in favor of a social clause but under some conditions: the social clause for instance had not to be used as a protectionist tool, but most important was to define who was going to decide whether in a single country the basic labor provisions were violated or not, and what consequences this would have.” The clear distrust against the GATT institutions as the right actor to monitor the labor provisions and doubts about the capacity of the ILO, brought the CUT to promote the creation of a Social Observatory Institute which aimed at concretely assessing the real dimension of the labor rights violations.

One major challenge for the social movements and the TUs of the Americas came when US President Bill Clinton launched the proposal for a Free Trade Area of the Americas (FTAA). In this case “many trade unions in the continent planned the same strategy used with other FTAs: struggling to have a social clause within the trade agreement in order to defend the labor rights. This was not the position of the CUT. In this case we always said that the agreement itself would be very negative for the economy and for the development of our country, with or without a social clause. In other words, we claimed there was the need to refuse this negotiation. The strategy of the CUT on the FTAA was that of the refusal of the

33 For instance, a network of municipalities was created, called MERCOCIUDADES (MercoTowns), that tries to defend the interest of the municipalities that can be affected by the MERCOSUR. This network has an institutional space to participate and debate.

34 Remarkably Mercosur is negotiating a FTA with the EU. We will discuss about strategies and evolution of this negotiations in the second part of this report.

35 Kield Jacobsen, Interview on March 3rd, 2009, by Bruno Ciccaglione

36 “The Social Observatory Institute is an organization that analyses and monitors the behavior of transnational, national and public companies about basic worker rights. These rights are mostly secured by the ILO Conventions on freedom of association, collective bargaining, child labor, forced labor, gender discrimination and racial discrimination, environmental rights, health rights and safety for workers” - http://wwwobservatoriosocialorgbr/portal/content/view/6/31/indexphp?option=content&task=view&id=6&Itemid=31

37 The preparatory process for the FTAs started in 1994 and it was formally launched in 1998 at the Second Summit of the Americas, in Santiago, Chile. - http://www.ftaa-alca.org/View_e.asp
agreement: what could we do to prevent that such an agreement was signed? That was our line. If you think that an agreement is negative anyhow, as was the case of FTAA, even for the other TUs of the continent, it is risky to tactically only work on the social clause issue. What if all of the governments would accept to have this social clause within the FTAA?38

We will analyze the different strategies of TUs in more detail in the second part of this report. Here we want to underline that, as already suggested, the CUT Brazil played a key role in the creation of the Hemispheric Social Alliance39, whose main focus from the beginning was to coordinate the struggles against the FTAA.

3. Trade Union Instruments and strategies to face FTAs: achievements and problems

To consider the instruments and strategies used by the TUs we must consider the political dynamic and context and its evolution in the last decades. After NAFTA went into effect in 1994, the U.S. started to negotiate several other FTAs with Latin American countries. After first discussions on the FTAA at the Miami summit in 1994, negotiations on the Free Trade Area of the Americas (FTAA), an extension of the NAFTA to all of the countries of the Americas (excluding Cuba), were launched in 1998 and immediately found strong opposition that included many trade unions. The FTAA project finally collapsed after the failure of the heads of states summit held in Mar del Plata, Argentina, in November 2005, following years of mobilization by a large coalition of social movements and trade unions across the whole continent. Although 26 of the 34 governments present at the Mar del Plata negotiations pledged to meet again in 2006 to resume negotiations, no such meeting took place.

Another framework modification of the last decades is the increased negotiations by Central and Latin American Countries and/or areas with the EU. It would however be impossible in our short report to analyze these negotiations in detail, since it would also need a deeper analysis of the EU TUs strategies and positions.

38 Kield Jacobsen, Interview on March 3rd, 2009, by Bruno Ciccglione
39 The Hemispheric Social Alliance was created in 1997. For details and members see information at http://www.asc-hsa.org/