



DECLARATION OF THE 1ST MEETING OF THE EUROPEAN UNION AND CENTRAL AMERICAN TRADE UNION ORGANISATIONS IN THE LIGHT OF FORTHCOMING NEGOTIATIONS FOR AN ASSOCIATION AGREEMENT

Having met in Panama City on 2 March within the framework of the Regional Meeting “Central American and European Union Association Agreement, a Trade Union Perspective”, sponsored by the Friedrich Ebert Foundation.

Prior to commencement of negotiations on the Cooperation Agreement between Central America and the European Union, trade union representatives of the workers in both regions met for the first time to discuss a common proposal and joint monitoring of the negotiating procedure. As a result we reached the following conclusions:

The negotiating process

Given the existing imbalances between the two regional groups, there is some concern that the future association agreement may simply degenerate into little more than a free trade agreement which would further exacerbate those imbalances and inequalities in Central American countries.

As signatory organisations, our comments derive from the conclusions of the III EU-LAC Trade Union Summit (Vienna 5 April 2006) which required Heads of State to open negotiations for an Association Agreement between the European Union and Central America while also claiming a series of minimum conditions for this agreement, as well as establishing criteria to be considered when holding the negotiations.

The trade union movement asks that consideration be given to the economic inequalities between Latin America and the European Union and that accordingly, development should be defined as the main objective in the Association Agreements in a bid to eradicate poverty and stimulate sustainable development.

Furthermore, all the Agreements, should comprehensively address the requirements for fulfilling and applying the fundamental rights of workers, including gender equality and non-discrimination policies.

Negotiations for the signature of agreements between the European Union and the LAC sub-regions must be transparent and have an open attitude towards organised civil society, which in turn should be provided with the

appropriate official mechanisms for obtaining information, consultation and participation both during negotiations and in order to monitor the Agreement when it enters into force.

These Agreements should not be seen as mere free trade arrangements but rather as genuine "Economic, Political Social and Cultural Association Agreements", and should therefore, in addition to political dialogue, technical cooperation and business exchanges, also contain a section on social and employment rights, including the basic ILO conventions, as well as the latest legislation of each of the regional groups of signatory countries.

In order to achieve the effective implementation of these conventions, the future Association Agreement should emphasise the parties' commitment to boosting the work of the ILO in Central America (providing the financial and legal resources required) to identify and, if necessary, condemn any violations of those conventions and standards.

In addition to regulating the joint participation of the bodies representing civil society (such as consultative, economic and social committees) any agreement should acknowledge the active role played by workers' organisations in the proposal and in monitoring the Association Agreement, including the adequate means to exercise those rights.

The Central American Context

Recent experience within the framework of CAFTA has seen an exclusive and authoritarian approach with the final goal being trans-national capital investments and a complete absence of economic, social or legal regulation so that the states involved are completely in the thrall of the capital to the detriment of the people. As a result, the trade unions and other Central American forces from the civil society opposed signature of the agreement, and in respect of negotiations with the European Union, they reiterate their opposition to any trade agreement based on neo-liberal free trade principles, opting instead for fair and balanced trade.

Poverty and destitution are currently major problems in the region of Central America. Of the 35 million inhabitants registered in 2005, 55% live in poverty and 23% in extreme poverty. Figures for extreme and abject poverty, seen from countries with extremely high levels of poverty, vary between 8.2% and up to 54.4%.

Poverty is not only manifested in terms of a lack of income but is also connected with the inability to acquire land, capital, credit, technology, education, basic health services, housing and so forth. Poverty also causes permanent hunger, nutrition deficiencies, serious health problems, increased morbidity and mortality rates and leads to discrimination and social exclusion.

Poverty, inequality, and exclusion exercise considerable influence on governability and, as shown in various studies, these phenomena create the ideal conditions for growing unrest and delinquency.

It is important to emphasize that despite peace processes and democratically-elected governments, neo-liberal policies have had an extreme effect on employment levels. With an economically active population of 13 million, rates of informal employment in the region range between 42% and 59.7% and 41% of inhabitants have not managed to complete primary education.

The Central American region has an enormous deficit in terms of compliance with ILO Fundamental Conventions (87 and 98) which constitutes an obstacle to the trade union movement in its role as a social representative. The extent to which these states comply with and respect these rights should also be considered when signing cooperation agreements.

Trade union organisations believe that in order to achieve sustainable development which will facilitate progress towards achieving the Millennium Goals and even go beyond the proposed targets, an integration process, in the broadest sense of the term, is essential because it will be difficult for the Central American countries to achieve on these targets on their own.

At the same time, the unions also recognise the progress made in terms of integration and cohesion in the European Union that contrasts with the weak procedures currently prevailing in Central America, despite the fact that the issue has been a long standing one in this region in comparison with the rest of Latin America

By virtue of this progress, and in view of the fact that the Association Agreement proposed is a bi-regional partnership, the situation described here reflects imbalances which could have negative effects on the process about to commence.

Therefore, it is crucial that Central America should make the most of this negotiating procedure with the European Union in order to make progress in all-inclusive integration by strengthening its institutions and, above all, by ensuring that Central American society appropriates, participates and promotes efforts to underpin community action.

A cooperation agreement should focus primarily on reducing external debt which is preventing social investment in most of the countries of the Central American region.

As a result, the trade union organisations believe and agree that:

1. The trade union and labour movement has not been sufficiently represented thus far in the consultation process with civil society in European Union–Central America dialogue and, as a result, now demands real and effective participation in all the sectors of the labour and trade union movement.
2. Further participation of sectors of the civil society should be encouraged through the creation of a proposal based on respect for human and labour rights, public services and natural resources.
3. We should seek to ensure that the social endeavours and demands of the Central American Region be publicised and promoted with a view to influencing European public opinion through the ETUC.

With a view to strengthening coordination and unity of action, European Union and Central American trade union organisations also agree that:

- a. They will carry out an in-depth analysis of the different aspects of the agreement and the impact it could have on employment and labour and social rights in order to draft a **SOCIAL PROPOSAL**.
- b. Central American trade unions shall implement a minimum agenda for common action, not only in respect of the association agreement but also in the light of the varied challenges the region currently faces.

This Declaration shall be sent to the Central American and European Union authorities, the governments of Member States, other institutions, other services, organisations and the media in order to inform them of the basic social and democratic criteria which the trade union movement believes should be considered by the negotiating parties.

Trade Union Coordinator for Central America and the Caribbean (CSACC)

Central American Workers' Confederation (CCT-CLAT)

Common Trade Union Platform for Central America (PSCC)

European Trade Union Confederation (ETUC)

The Declaration is also supported by the national European and Central American central organisations present, a list of which is attached hereto.