

CONO SUR TRADE UNION ORGANISATIONS COORDINATOR (CCSCS)

EUROPEAN TRADE UNION CONFEDERATION (ETUC)

**JOINT STATEMENT ON NEGOTIATIONS FOR A BI-REGIONAL PARTNERSHIP
AGREEMENT BETWEEN THE EUROPEAN UNION AND MERCOSUR**

For the next round of negotiations, which is scheduled to be held in Brussels at the end of June 2019, the aim of which is to make progress on outstanding issues with regard to the signing of a Partnership Agreement between Mercosur and the European Union, we the representatives of the bi-regional trade union movement are determined to voice our grievances and concerns about the way in which the negotiations are being conducted, as well as about the content of what, in reality, is a free trade agreement.

We are once again forced to reiterate our concerns about the lack of transparency and the opacity with which the negotiations are being conducted, particularly in the Mercosur countries.

We denounce the fact that more than three years after the exchange of offers between the parties, we the workers' representatives from Mercosur and the European Union still have no official access to the texts under negotiation, nor the main quantitative content of the offers, although we are aware that recent progress has been made in finalising various chapters.

We reiterate our legitimate concern about an agreement which does not take into account the sensitivities of both parties with regard to employment and the need for it to contribute to symmetrical and balanced development in both regions. We occasionally also have concerns about - among other things - the following issues, which we consider extremely challenging for society in general and for working people in particular: the wide scope and increased rate of exemption from tax on the trade of goods; the high degree of flexibility of the rules of origin which are being negotiated; the liberalisation of many services which we consider key to the development of the nations; the erosion of government purchasing power set out in the chapter on government procurement; the proposal to extend the duration of patents and the protection of test data in the case of pharmaceutical products; the lack of effective

mechanisms for promoting small and medium-sized businesses, such as financial support and technology transfer; and the total absence of studies on the agreement's impact in terms of the economy, society, employment and the environment in the Mercosur countries, which are already experiencing a very difficult economic and social situation. This is particularly the case in Brazil and Argentina.

- In Brazil, a pseudo-democratic government was elected as part of a process that began with a parliamentary coup which ousted a legitimately-elected President, for trivial and barely credible reasons, and continued with the imprisonment and banning from political office of the main opposition leader, Luis Ignacio Lula da Silva. The case is currently being examined in a judicial review and it is now clear that it was fabricated by the judge, the prosecutor and other powers that be. No one knows exactly where or how it will end.
- In Argentina the electoral process is under way and there will probably be a shift away from the political direction enforced by the current government, which has plunged the country into one of its worst economic crises and a huge judicial scandal.
- Uruguay and Bolivia will be holding elections on the same day as Argentina.
- The European Union has recently held its elections, but the new leaders are not yet in place.

This political context may determine and affect the implementation of the agreement. The signing of agreements of this kind, which are government policies, cannot be done in haste and it requires the agreement of broad sectors of society. The matter must not be used as government propaganda or merely serve as an electoral issue.

As regards compliance with international labour standards, we reiterate our concern about the failure to ratify various basic ILO conventions in the region. Notably, Brazil has not ratified Convention 87 on Freedom of Association and Protection of the Right to Organise, and at the International Labour Conference for 2019 Brazil was a subject of discussion in the ILO's Committee on the Application of Standards on account of its failure to comply with convention 98 on the Right to Organise and Collective Bargaining.

Since the formation of the bi-regional trade union movement we have, on numerous occasions, brought to the attention of authorities in both blocs our main concerns and demands so as to ensure that the negotiations move towards a genuine Partnership Agreement which helps to strengthen the political, social, economic and cultural ties between the two regions. This was the original spirit of the negotiations: discussions between two realities which, in the complex international economic and commercial arena, share common democratic principles and values. On that basis, we the trade unions have demanded that people and their fundamental rights be placed at the centre of the negotiations, along with decent work, support for the weakest members of society and respect for the environment.

We the European trade unions and Mercosur call on the negotiators to address the critical issues highlighted in this declaration. For the European trade unions and Mercosur, it is essential that these issues be rectified.

ETUC and CCSCS will continue to defend labour demands and the principle that the relations between the European Union and Mercosur should contribute to the development of more economically-balanced development models, with greater cohesion and social justice and a pledge to respect the environment.

ETUC and CCSCS are committed to strengthening increasingly-structured types of collaboration, tracking the development of relations between the two continents and representing the interests of working people in Europe and the Mercosur countries before any official body.

Geneva, Switzerland 14 June 2019