



**SOCIAL DIMENSION OF INTEGRATING AMERICAS  
SEMINAR  
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UNIVERSITÉ DU QUÉBEC À MONTRÉAL**

**FIRST WORKSHOP  
*WHEN TRIPARTISM IS ATTACHED TO ECONOMIC INTEGRATION AGREEMENTS*  
*SYNTHESIS*  
*BY JESSICA SALOMON (MCGILL FACULTY OF LAW)***

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- **Javier Silva Pintos**, Coordinadora Sindical del Cono Sur, Uruguay
  - **Marcelo Passini Mariano**, Central Única dos Trabalhadores, Brazil
  - **Mario Pasco Cosmópolis**, Professor, Pontificia Universidad Católica de Perú, Peru
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Within the broader context of the seminar's starting proposition - that a plurality or asymmetry of institutions and mechanisms which address the social dimensions of integration in the Americas exist, are necessary, and serve to complement each other - this first panel traced the particular development of tripartite and other social spaces within the institutional structure of Mercosur and the Andean Community of Nations.

The panel offered a rich and critical appraisal of the efforts made to date to create these kinds of spaces, specifically highlighting the impact that political and economic conditions within the region have had on the strategies and positions adopted by the labour movement over the years. Most recently, it was asserted that the political convergence of like-minded integrationist leadership in Brazil and Argentina presented a new opportunity to strengthen the institutions and norms of Mercosur in which the labour and social dimensions of integration are addressed. There was in fact a popular analogy drawn to the leadership and commitment of France and Germany in moving the integration of the European Union beyond its purely trade-related dimensions.

The first two panelists, Javier Silva and Marcelo Passini Mariano, echoed one another in affirming that although not alone, the labour movement because of its unique vantage point and organizational capacity, played a central role from the beginning in raising concerns that have only now begun to be addressed. By agreeing to integration from the start but asking critical questions such as what kind of integration was foreseen and for what purpose Mercosur was intended, the labour leadership in the Southern Cone sought to create spaces from which to influence the integration agenda. It became clear from this perspective, that the safeguarding of labour and social rights was integral to the success

of Mercosur and as such its integration could not be uniquely premised on the reduction of trade barriers and negotiated exclusively by the highest levels of government. As pointed out by Marcelo Passini, even if a distant objective, the fact that Mercosur aspired to become a common market necessarily implicated a host of socio-labour issues which required the institutionalized participation of those stakeholders in the decision-making process.

On balance, the panelists suggested that much progress has been made although more so in the case of Mercosur. In the case of the Andean Community it was pointed out that although a significant body of norms has been articulated and institutional structure developed, little impact has been made on the ground. There was in any case a strong feeling of solidarity as between the two regional trading blocs which was especially marked by a shared belief that there is power in numbers, and that Mercosur and CAN albeit not perfect do much more to integrate the social dimension than does the impending FTAA. This sentiment was commonly held by panelists throughout the seminar who appeared to posit the sub regional or regional trading bloc as an answer to globalization or hemispheric and global trade regimes. In this sense it was suggested that sub/regional trade agreements could serve to increase bargaining power and mitigate the asymmetrical character of trading relationships as well as to promote a viable alternative to agreements which fail to make human development and social justice a priority. The FTAA negotiation process while only referred to tangentially appears to have acted as a catalyst in the strengthening of regional trading ties and in the development of more inclusive sub regional trading blocs.

In taking stock of the set backs, achievements, and of what is yet to be accomplished, the panel provided a detailed contextual backdrop from which to understand the current phase of integration, what is being demanded and the probability of these demands being met. In the case of Mercosur, it was not really until Ouro Preto in 1994 within the broader circumstances of an institutional overhaul of Mercosur that the CCSCS was able to put forth a proposal for an alternative institutional model. Prior to Ouro Preto the only tripartite space within Mercosur was the Sub Working Group #11 which while debating several important socio-labour issues and putting forward a series of proposals was unable to have any of them adopted by the Common Market Group. The new institutional structure proposed included a commission on production issues as a counterweight to the Trade Commission, the strengthening of the Joint Parliamentary Commission as a check on executive powers, the creation of an Economic-Social Consultative Forum (ESCF), and the establishment of a jurisdictional organ to settle disputes.

Of these proposals, only the ESCF was adopted at that time. It was however the instrument that was most important for the unions as it signified a new and much more important level of participation for the labour movement. The Forum comprised workers, employers and other social actors from a variety of sectors and was given significant institutional weight as it was placed alongside Mercosur's other five institutional bodies. In the years following Ouro Preto important advances were made, the greatest of which was the adoption of the Socio-Labour Declaration in 1998, and the corresponding creation of the Socio-Labour Commission to oversee compliance with it. This tripartite organ became the third institutional space (the others being, the ESCF and Sub Working

Group #10 which replaced SWG #11) for participation with respect to the social and labour aspects of integration.

The Commission has since its creation formulated and implemented action plans, issued recommendations, acted in an advisory capacity, and rendered opinions in areas such as child labour, free movement of workers, employment, and equal opportunity and treatment of men and women in the workplace. The role of the Commission as a guarantor of the rights enshrined in the Declaration has been all the more important given the Declaration's non-binding and non-sanctionable legal character. Efforts are being made in anticipation of the Declaration's revision to amplify its content to include core and specific individual labour rights such as minimum wage, limits to the length of the work day, vacation, and the ways in which the employment relationship may be terminated. In the interim however, it was suggested by Javier Silva that the Commission had an important role to play in the area of labour relations and as such had earned the title *la DSL en movimiento*.

Today, the efforts of the labour movement within the Southern Cone are directed at deepening and improving the quality of integration. That is to say, moving Mercosur toward a common market, making it more democratic from an institutional perspective, and creating mechanisms to compensate inequalities between the member states as integration moves forward. The strategy is therefore no longer focused on the creation of spaces for participation but on correcting the democratic deficit by establishing a veritable Parliament, by increasing the budget of the ESCF so that more civil society groups can participate and by making consultation obligatory. There is also an effort to push for macroeconomic coordination and the resolution of conflicts through the jurisdictional authority of Mercosur. Marcelo Passini used the example of sugar, a non-liberalised product in a free trade area, to demonstrate the economic and political obstacles involved in deepening integration. Because Brazil enjoys a comparative advantage in the production of sugar in the sub region its liberalisation would likely put many Northern Argentinean sugar producers out of business. Passini in this case argued that these types of inequalities should not hold the process of integration back but that adequate mechanisms of compensation should be established along the lines of the Latin American Reserve Fund and the Andean Development Corporation. It was generally suggested that these kinds of improvements to Mercosur would do much to strengthen the sub regional bloc and in this way to consolidate its influence on the hemispheric stage.

In the case of the Andean Community of Nations (CAN) the principal social and tripartite spaces mentioned were the Advisory Council of Labour Ministers, and the Labour and Business Consultative Councils. There are as well various conventions such as the Simón Rodríguez Convention which provide a framework for addressing social, labour, health, education, and culture related aspects of integration and an initiative by the Andean Council of Foreign Ministers to institutionalise the participation of other social sectors in the decision-making process. It was in fact within the framework of Simón Rodríguez Convention, directed at addressing the socio-labour dimensions of integration, that the Social Agenda was adopted at the XII Andean Presidential Congress in Lima. The Social Agenda comprises the development of programs, projects and community norms relating to the social dimensions of a common Andean market and the strengthening of civil society participation in the integration process. The Social Agenda, described by Mario

Pasco Cosmópolis as the nucleus of the Lima Act, is organized around five thematic areas coordinated by the Advisory Council of Labour Ministers, these are; job creation; training and professional development; social security; migration; and safety and health in the workplace. Other advances, at least from an instrumentalist perspective, have included the creation of a tripartite Andean Labour Observatory to analyze, define and oversee community policy on socio-labour issues. There are as well, the recently adopted Quirama and Mitad del Mundo Declarations which principally aim to further integrate and harmonize legislation, regulations, and decisions in the areas of social security, movement of workers, and safety and health in the workplace.

Mario Pasco Cosmópolis was however quick to caution against an unrealistically optimistic view of the potential influence of tripartite and social participation or of the actual degree of social and labour integration on the ground.<sup>1</sup> It is important to note in this regard that no organic tripartite or socio-economic forum exists within CAN as it does in Mercosur and in the European Union. The Labour and Business Consultative Councils operate independently of one another and at very different paces; they have met together only four times and only once discussed social issues. Their agendas are in effect dictated by their constituencies, where labour seeks to safeguard socio-labour rights and raise working and living standards and business seeks to control labour costs which they view as critical to their competitiveness and survival. There are as well further difficulties associated with a significant decrease in union membership and fragmentation within the labour movement; the result of structural adjustment programs, the growth of the informal economic sector, and years of repression that stifled organization and coordination.

The question period for this workshop focused on issues of asymmetry between the countries of Mercosur, the possibility and advantages of a CAN-Mercosur integration agreement, and the difficulty of getting member states to forgo a measure of autonomy in favour of strengthening the supranational character of both blocs. A CAN-Mercosur agreement was regarded as highly desirable as the integration of CAN countries could act as a counterweight to the power and influence of Brazil and Argentina within Mercosur and Mercosur could serve to strengthen the weaker and more fragmented socio-labour dimensions of CAN. There was less concern with regard to Brazil's significant power in the region as it was seen to be tempered by a willingness to assume the economic costs of leadership and by a new President who has exhibited a desire to strengthen supranational institutions such as Mercosur's jurisdictional authority. There is also an initiative on the table that would create a tripartite commission for the purpose of integrating production in the Southern Cone.

The panel provided significant evidence that there do in fact exist a wide range of mechanisms in the region for the participation of civil society in the socio-labour dimensions of integration even if the effectiveness of some appears to be lacking. There was as well a strong recognition of the fact that the best way to challenge the American strategy of weakening sub regional and regional trading blocs was to iron out their weakness and integrate them.

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<sup>1</sup> See the conclusions of the Bologna-Castilla/La Mancha-Turín Group's meeting in Buenos Aires on September 8<sup>th</sup> and 9<sup>th</sup>, 2003.