

TiSA

UNI'S FUTURE ON THE LINE

Summary of the report

The Trade in Services Agreement (TiSA) could literally change the lives of UNI's affiliates and their members as unions, workers, consumers, citizens and human beings.

Trade in services agreements are designed to serve capital. Labour is treated as a commodity, a mode of delivery, or a 'barrier to trade' - even though workers provide the services that are being 'traded'.

Since 2013 a group of governments have been secretly negotiating a deal that would lock the world into the failed neoliberal model of the past four decades. They call themselves **The Really Good Friends of Services.**

These governments are working with, and largely for, a corporate lobby known as **Team TiSA.** Its six US co-chairs come from the world's most powerful financial, technology, logistics and retail corporations: Citigroup, IBM, UPS, Walmart, MetLife and Liberty Mutual.

Team TiSA want a '21st century agreement' that removes all barriers to their global expansion and profitability and **puts handcuffs on national governments'** right to regulate, even when new services and technologies pose unforeseen risks in the future.

TiSA follows the failed model of other **anti-democratic mega-agreements:** the Trans-Pacific Partnership Agreement (TPP or TPPA), the TransAtlantic Trade and Investment Partnership (TTIP), the European-Canada Comprehensive Economic and Trade Agreement (CETA).

TiSA is *especially* important for two reasons: 1) its main purpose is to clear the path for the 4th Industrial revolution, or the **new wild west of capitalism** where a globalised economy is driven by digital technology; and 2) TiSA is the 'last man standing' since the collapse of the TPP and TTIP.

The TiSA talks have been held in Geneva under a **cloak of secrecy.** Only a handful of governments have released even some of their own documents. Analysis and critique has to rely on leaked texts.

The centrepiece of TiSA is e-commerce. The tech industry describes digital platforms as the new trade highway of the 21st century, likening their impact to the printing press in the 16th century and electricity in the 19th century.

Their model for success celebrates **constant disruption, reorganisation, relocation and automation.** Corporate wealth and power are concentrated at the top of a pyramid, with no social responsibility. Protections for workers and unionisation are seen as barriers to be stripped away.

High value activities of mega-corporations cluster in the North, along with elite employment. Workers are made dispensable, especially in the global South, through layers of competitive contracting, offshoring, automation, and bogus self-employment. **Precarious work becomes the norm.**

Three layers of TiSA **bind governments for the indefinite future:** 1) a core text sets the basic rules; 2) proposed annexes impose restrictions in policy areas (eg. labour mobility, finance, domestic regulation, transparency (for corporations)) and service sectors (eg. energy, telecommunications, maritime transport); and 3) schedules commit each country to these rules.

Team TiSA is demanding **unlimited rights to supply e-commerce, financial, telecom, and delivery services from outside the country.** So it is not surprising they are the targets of TiSA's most potent rules.

Very few restrictions currently govern the Internet; Team TiSA wants to keep it that way. TiSA's rules are designed to serve their needs 20 or 30 years from now by removing governments' ability to regulate their technologies, services and practices **whatever new technologies may evolve,** and irrespective of their economic, social, environmental or development impacts.

Strategies and **policies to support the domestic economy and jobs,** and require firms to transfer technology or hold data and have a presence inside the country would be **prohibited.**

TiSA's proposed rules on **telecommunications** have 5 main goals: 1) to undermine telecoms as a public service; 2) deregulate and guarantee all private and foreign telecom suppliers, from within and outside the country, access to services and networks; 3) force major telcos to facilitate competition, but defining them so that applies mainly to the global South; 4) require national regulators to police public telco's compliance with the TiSA rules; and 5) provide minimal consumer rights and protections.

For the **telecoms workforce** that means more cross-border services that kill local jobs; fragmenting and corporatising state-owned telcos to promote privatisation and sub-contracting; competitive pressures on labour costs, workloads, safety standards, and social rights like pensions and healthcare; deprofessionalisation of technical workers; feminisation of telecom servicing operations; and a fractured and unstable industry that is hard to organise.

Team TiSA wants unrestricted rights to supply **banking, insurance, investment and other financial services** across the border, including for e-commerce, and ensure regulations don't make business more difficult or less profitable. The industry becomes even more high-risk, high-profit, globally mobile and unstable.

Governments are asked to **lock in their current levels of financial deregulation and liberalisation**, promise never to regulate new and potentially toxic financial products and services, and sign away their rights to take effective measures to prevent a future financial crisis.

The globalised finance industry **minimises the costs of its workforce** by cutting wages, de-unionising, contracting out, offshoring and automation. Workers in state-owned banks and insurers, especially in the global South, face intense pressure from corporatisation and competition. Women are clustered in low paid, stressful and insecure back office work.

The TiSA agenda for **postal, courier and express delivery** services is set by DHL, Fedex, TNT and UPS.

The globally integrated logistics chains they organise through digital platforms require **seamless cross-border flows of transport, goods, data, money and people**, free from government regulation. Public postal systems have to be minimised, while still providing access to a universal network. Amazon will piggy-back on these gains, forcing the Big Four to compete harder to survive.

Postal workers will face intensified competition from express delivery firms and the bogus 'self-employed' workforce. That means increased churning, short-term contracts and casualisation, and delivery through automation and artificial intelligence using drones, driverless vehicles and their successors. Fewer public sector jobs, lower union numbers and less bargaining power will threaten pay, conditions and social protections.

Overall, TiSA would mean intensified hyper-competition, contractualisation, digitalisation and automation for UNI workers, controlled by an oligopoly of super-powerful corporations. Workers, especially in the global South, become more vulnerable and expendable as work is automated and re-shored to the corporations' home base. Further **feminisation of the vulnerable, lower paid services workforce** widens the gender gap. Traditional national strategies of **unionisation, collective bargaining and industrial action** no longer work.

This trend is not new, but TiSA will **worsen the international race to the bottom** for labour in at least four ways:

- **Internationally**, corporations play countries off against each other to secure the least burdensome regulations and taxes;
- **Within nations**, a race to the bottom among layers of contracts, contract workers and the nominally 'self-employed' erodes hard-won protections, poses new barriers to the organisation of labour and undermines the bargaining position of those who are unionised;

- As new technologies enable **cross-border supply of services** that were once territorially bound, jobs are outsourced and offshored from one country to another, and create precarious new jobs that can easily be moved elsewhere or displaced by new technologies and re-shored; and
- In the guise of 'trade', **foreign workers** are imported for short periods to deliver services in another country under terms of employment that are often exploitative of the worker and exacerbate social dumping in the host country.

There is a common theme: **workers are pitted against workers in a battle for survival** that is not of their making.

UNI's workers are also disenfranchised as citizens. TiSA negotiations are secret. The rules guarantee corporate rights and put handcuffs on future governments' right to regulate in the national interest, even with an electoral mandate. Foreign governments and corporations are given the right comment on proposed new laws, while tribunals of trade experts pass judgment on the sovereign state's policies and regulations.

What to do? The TiSA negotiations were **unofficially suspended** in late 2016 for three reasons: 1) other countries don't know or trust what the Trump administration will do; 2) the EU has an internal fight over protecting privacy in the digitised world; and 3) the texts are nowhere near agreed. But governments are still working behind-the-scenes, urged on by Team TiSA. There is a **serious risk that negotiations could start up again without warning at any time.**

The current paralysis provides a **vital window to educate and mobilise UNI affiliates and their members** on TiSA, and to challenge the participating governments and corporate lobbyists at national, regional and international levels to abandon the deal.

What TiSA means for UNI workers

TiSA would impact on UNI workers and unions at the systemic level through binding rules that:

- support the global reorganisation of capital through a digitally-enabled mode of production;
- facilitate globally integrated but highly fragmented logistics and supply chains;
- promote hyper-competitive service provision through outsourcing and contractualisation;
- remove barriers to cross-border services and offshoring;
- prohibit economic strategies and policies that support the domestic economy and jobs;
- remove employment-related obligations or local purchase requirements on foreign investors;
- ensure corporate élites have a right to enter and work in other TiSA countries;
- allow foreign firms to use cheaper foreign contract workers to deliver services in a TiSA country;
- enable employers to bypass collective agreements and deunionise the workforce;
- create new jobs in the global South that are even more precarious, with workers clustered at the bottom end of the global value and supply chains;
- require pro-business approaches to regulation of licensing, qualifications and technical standards, including those that directly affect labour; and
- weaken the role of specialist international standard-setting bodies, notably in telecommunications and postal services.