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# **INTRODUCTION**

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. Since 2013 a group of like-minded 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**.

### **The Really Good Friends of Services**

Australia, Canada, Chile, Colombia, Costa Rica, European Union, Hong Kong China, Iceland, Israel, Japan, Lichtenstein, Mauritius, Mexico, New Zealand, Norway, Pakistan, Panama, Peru, South Korea, Sweden, Switzerland, Taiwan, Turkey, United States of America

They are working with, and largely for, a corporate lobby known as **Team TiSA**. The six US co-chairs come from the world's most powerful major financial, tech, logistics and retail corporations: Citigroup, IBM, UPS, Walmart, MetLife and Liberty Mutual. Team TiSA wants the right to operate seamlessly across the world. Their vision for TiSA is a '21<sup>st</sup> century agreement' that removes all barriers to the global expansion and profitability of their services industries and puts handcuffs on national governments' right to regulate, even when new services and technologies pose unforeseen risks in the future.

## **Why TiSA is important**

If their vision for TiSA succeeds, power would be redistributed from the contested zone of national politics to the private domain that an oligopoly of mega-corporations control. Their rights would trump the needs of real communities. Inequality within and between countries would deepen ever further. And democratically-elected governments would be told they cannot act in the public's interest because some earlier government tied their hands in a secretly negotiated agreement. Incredibly, the Really Good Friends group of governments are willing to negotiate such a deal.

The TiSA talks have been conducted in Geneva under a cloak of secrecy. Only a handful of governments have released even some of their own documents. Despite the secrecy, many leaked texts and statements from the corporate lobbyists have revealed what is on the table. TiSA is following the same failed model as other anti-democratic mega-agreements: the Trans-Pacific Partnership Agreement (TPP or TPPA) and the TransAtlantic Trade and Investment Partnership (TTIP). However, it goes further in an important way. TiSA's principal purpose is to clear the way for what some describe as the 4<sup>th</sup> Industrial revolution, driven by digital technology—and what others call the new wild west of capitalism. Under TiSA, a small group of powerful private corporations stand to gain largely unregulated dominance of the infrastructure of the global economy through their control of technology, digital platforms, search engines, and big data.

The implications are huge. Those who control the digital platforms and supply chains operate through layers of competitive contracts that allow them to minimise costs and wages, responsibilities to workers and consumers, tax obligations and regulatory constraints. Cross-border e-commerce and networked supply and value chains are already creating turmoil for businesses and jobs in both services and manufacturing. Logistics operators and e-retailers are tailoring individualised transactions in ways that bypass warehouses and retail stores. Faceless algorithms connect suppliers to consumers, organising delivery through 'self-employed' contractors whose terms they dictate.

Artificial intelligence, such as drones, robots and driverless vehicles, is replacing work performed by human labour. Offshore call centres in finance or support services for telecom firms dehumanise work and workers who become literally invisible. Services, products, knowledge and technology that are blended in the so-called 'Internet of things', and use technologies like 3-D printers, threaten to displace traditional production in brick-and-mortar factories.

As these mega-corporations celebrate the constant disruption and 'creative destruction' of the 4<sup>th</sup> industrial revolution, employment becomes ever-more precarious. The workers who operate the services economy are dispensable. Labour is simply a factor of production to be reorganised, relocated and replaced as corporate strategies, profit targets and technologies dictate. 'Flexibility' and 'efficiency' are code for a fundamental shift from permanent, full-time, unionised employment. As HR firm Digby Morgan advised its employer clients:

*How can your organisation adjust to the opportunities of the growing on-demand economy? First, the answer begins with adaptability. Consider flexible workers for roles you traditionally fill with permanent employees. Freelancers are no longer viewed as supplemental talent only; they may be the best-quality workers for your roles. Second, it's also important to recognise that more companies are competing for their services. That means you will need to expand your employer brand strategies to directly target freelance workers.<sup>1</sup>*

Far from empowering workers, contracting, offshoring, and illusory self-employment create a dependent and largely de-unionised workforce. As consumers, workers are courted, their data captured and sold, and their choices manipulated, without effective protections or remedies. As citizens and voters, they are disenfranchised.

UNI's affiliates and their members are at the centre of this turmoil, because finance, telecoms, delivery and e-commerce are the engines of the global digital economy. If TISA succeeds where TPP and TTIP failed, UNI-Global members can expect an endless cycle of job-destroying contractualisation, outsourcing, offshoring and automation.

## Future-proofing global rules for capital

TISA's rules are designed to serve the needs of these corporations twenty or thirty years from now, whatever new technologies may evolve, and irrespective of the economic, social, environmental or development impacts they may have.

Specifically, they are demanding unlimited rights under TISA to supply financial, telecom, e-commerce and delivery services from outside the country. Those who do so can't be required to have any local presence inside the country, so there is no effective way to hold them to account for labour, consumer or ethical practices. Data can be transferred in and out of the country without restrictions and be held in any country, however weak its privacy or consumer protections or however intrusive its surveillance may be. Yet the corporations insist that their own source codes are kept secret to protect their market power. Banks can move their corporate employees, and probably their data, freely around the world. State-owned post offices, telcos and banks must operate on a corporate model, removing their reason to exist and readying them for sale. E-payments are expedited, with unfettered movement of money into and out of countries, depriving the domestic economy of the consumer dollar and facilitating tax evasion. That is just the start ...

TISA seeks to achieve these restrictions on what governments can do by combining a core text, a series of annexes, and country-specific schedules of commitments. It is no coincidence that TISA's most powerful rules relate to financial services, electronic commerce, telecommunications and delivery.

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1 [https://www.digby-morgan.com/job-seeker/career-hub/archives/uberisation-of-the-workforce-accelerates-to-more-industries\\_63/](https://www.digby-morgan.com/job-seeker/career-hub/archives/uberisation-of-the-workforce-accelerates-to-more-industries_63/)

# Empowering corporations, disempowering workers

Democratically-elected governments are creating unimaginable new risks by empowering private mega-corporations to control the platforms for global commerce, communications and even governance, and surrendering the right to try to control how they exercise that power. The lessons from the global financial crisis, and many others before it, have been ignored. So has the groundswell of opposition from unions, social movements, public intellectuals and voters around the world who have rejected these mega-deals, well before Brexit and Trump.<sup>2</sup> This critique has now become mainstream. Prominent Harvard University Professor Dani Rodrik warned that this economic model is politically unsustainable:<sup>3</sup>

*The frustrations of the middle and lower classes today are rooted in the perception that political elites have placed the priorities of the global economy ahead of domestic needs. Addressing the discontent will require that this perception is reversed.*

## The structure of this report

This report explains how TiSA could become a reality. Because the negotiations are secret it relies on leaked draft texts and analyses, statements from governments and corporate lobbies, historical material from earlier trade in services negotiations, and insights from unionists, academics and non-government organisations.

The report is organised in nine chapters plus a series of technical annexes. The next chapter explains who is rewriting the global rules and the state of the negotiations. Chapter 3 spells out the impact of TiSA on employment, workers and unions. Chapter 4 explains the context of the TiSA agenda on e-commerce. Chapter 5 provides an overview of TiSA itself. Chapters 6, 7 and 8 examine sectors of particular importance to UNI: telecommunications, financial services, and postal and delivery services. The final section calls on UNI to mobilise to stop TiSA.

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2 In March 2017 more than 100 organisations sent an open letter to trade ministers from the TPP and other countries meeting in Chile warning them not to resurrect that deal in other forums, such as TiSA. Open Letter to Trade Ministers Meeting in Chile, 14-15 March 2017, <http://www.citizen.org/documents/Chile-Ministerial-Letter.pdf>

3 Dani Rodrik, 'There is no need to fret about deglobalisation', *Financial Times*, 4 October 2016