

NEW RULES FOR THE GLOBAL ECONOMY

The global economy is not a creation of nature, but the product of political decisions driven by powerful economic interests. The real issue in the debate over U.S. trade policy is what rules should govern the global economy, whose interests they should serve, and who should write them. We propose the development of rules that benefit the many rather than the few, to be written and enforced as democratically and openly as possible.

Environmental, labor, health, and other public interest standards and policies must not be undermined. By subordinating all other societal values to the expansion of international investment and trade, existing rules for the global economy have increasingly weakened the ability of countries to protect their workers, the environment, consumer safety, public health, and marginalized citizens. These priorities must be reversed. Trade and investment are not ends in themselves, but rather tools for promoting other societal goals.

- Trade agreements must not empower investors to file legal challenges to domestic public interest standards or policies.
- Actions taken to implement bilateral or multilateral agreements dealing with public interest commitments must not be subject to trade challenges.
- The efforts of developing countries to address public health crises such as HIV/AIDS by increasing public access to essential medicines must not be obstructed by either the text or the implementation of trade agreements.
- Countries must have the right to control imports produced in violation of internationally accepted norms or in ways that harm transboundary or global resources.
- Countries must be allowed to follow standards based on the precautionary principle to protect public health, safety and the environment.
- Trade agreements must prohibit countries from weakening, eliminating, or failing to enforce domestic labor, environmental, or other public interest standards to attract investment.
- Trade agreements must not directly encourage trade that damages the environment or leads to the unsustainable depletion of resources.

Global labor, environmental, and other public interest standards must be strengthened to prevent a global “race to the bottom.” Because current rules for the global economy promote mobility of investment capital, maintaining minimum national public interest standards has become increasingly difficult in a global economy that lacks such minimum standards.

- New rules for the global economy must provide for strengthening each trading partner’s labor, environmental, and other public interest laws and regulations as necessary to meet minimum international standards, including ILO core labor standards.
- Trade agreements must contain such provisions in their core text and provide the same enforcement mechanisms as for other commercial provisions, with the same binding dispute resolution procedures and trade sanctions.
- Foreign operations of U.S. corporations should help to raise, not lower, such standards, and U.S. corporations must be required to disclose basic information on their environmental, labor, and human rights practices abroad.
- Raising economic and social standards must be a precondition for comprehensive economic integration between countries at different stages of development, as was the case for accession to the European Union by Spain, Portugal, and Greece.

Raising standards in developing countries requires additional assistance and respect for diversity of development paths. Development assistance that helps empower civil society and democratic governments to create sustainable, vibrant economies and respect basic rights must be increased. Trade is no substitute for aid.

- Debts claimed by the IMF and World Bank on loans to the world’s most impoverished countries must

be canceled in full. Debt cancellation must be delinked from regressive conditionality that disadvantages people in poverty, women, and working people, including those in the informal economy.

- Diversity of development paths, including development that does not emphasize exports based on the unsustainable use of natural resources and the exploitation of workers, must be encouraged.

The provision and regulation of public services such as education, healthcare, transportation, energy, water, or other utilities are basic functions of democratic government and must not be undermined. Countries must be allowed to support and purchase services in ways that promote economic development, social justice and equity, public health, environmental quality, and human and workers' rights.

The right of state and local governments to create and enforce diverse policies must be safeguarded from forced standardization. State and local governments must be consulted in full, and give explicit consent before trade rules are negotiated which bind state and local governments to granting market access or limiting regulatory authority.

Countries must be allowed to give priority to sustaining family farms and achieving global food security. Existing rules for the global economy encourage excessive economic concentration in agricultural markets that results in the manipulation of global food supplies and the depression of farm prices, threatening food security and the survival of family farmers in the U.S. and around the world.

- Antitrust laws at the local, regional, national and international levels must be vigorously enforced, and strengthened where necessary, to guarantee competitive markets for family farmers.
- Countries must be allowed to establish domestic and global reserves, manage supply, enforce anti-dumping disciplines, and ensure fair market prices.
- Consumers must be assured, through labeling and other means, the right to know and choose whether the food they buy has been produced in a sustainable manner.
- Countries must be allowed to ensure the production and distribution of a safe, affordable, and abundant food supply to meet their domestic needs and achieve food security.

Healthy national economies are essential to a healthy global economy. To remain healthy, domestic economies must be allowed to maintain strong industries. Governments must be allowed to pursue policies to create and maintain high-productivity jobs, with decent wages and benefits.

- To ensure fair trade, domestic trade remedy laws must be vigorously and fairly enforced, and strengthened where necessary.
- Governments must be allowed to maintain adequate safeguards to ensure that import surges do not impose economic burdens on workers.
- Countries must be allowed and encouraged to place reasonable controls on speculative capital to reduce global financial instability and trade volatility.
- To stabilize the global economy and help raise global standards, all countries must be encouraged to pursue broad-based sustainable growth driven by rising domestic demand.

The development of new rules for the global economy requires more democracy, transparency, and accountability, not less. In recent years, numerous investment and trade agreements tilted in favor of corporate and financial interests have been negotiated, and then swept through Congress, with little public awareness or democratic accountability.

- The procedures under which Congress considers trade negotiations and agreements must include opportunity for full debate and amendments. The delegation of Congress' trade authority under Fast Track results in a lack of democratic accountability for trade negotiations, has produced trade agreements that undermine many of the principles set forth in this document. Fast Track under any name is unacceptable.
- Full and complete negotiating texts for any negotiations in which the U.S. government participates must be made public, and trade agreements under negotiation must be subject to thorough environmental and social reviews, including a review of their impact on women and people of color.
- Trade advisory committees must represent the public interest, not just corporate interests.
- Trade dispute resolution must be democratic and open to the public.