10-2-2015

Uruguay Rejects Trade in Services Agreement

Andrés Gaudán

Follow this and additional works at: https://digitalrepository.unm.edu/notisur

Recommended Citation

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in NotiSur by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.
Uruguay Rejects Trade in Services Agreement

by Andrés Gaudín
Category/Department: Uruguay
Published: 2015-10-02

The strong domestic dispute that, during the first six months of Uruguayan President Tabaré Vázquez’s term, muddied the waters of the Frente Amplio (FA) ended in early September. On Sept. 7, the president and his ministers adopted as their own the recommendations from an FA congress and closed the controversial negotiations on Uruguay’s eventual participation in the Trade in Services Agreement (TISA), an accord promoted by some of the biggest US and European service-industry corporations (NotiSur, May 1, 2015). The FA is a progressive party that has been in power for the last three administrations, since 2005.

What TISA proponents seek is to attain commercial liberalization in areas such as professional and financial services, postal service, air and sea transportation, electronic commerce, government procurement, and environmental, energy, and health services. The government and the ruling party said that the debate underway since March 1—the day Vázquez took office—closed without winners or losers; nevertheless, for many, the decision left wounds that will be difficult to heal.

In the same period, the government had to confront a prolonged conflict in the field of education, where a small but hyperactive, ultraradical sector capitalized on discontent among teachers and professors with the official salary policy, encouraging a wave of strikes that interrupted classes for 21 days. Vázquez did what none of the FA administrations since 2005 had done. He responded with repression—not with physical violence but rather by declaring education an essential service and threatening teachers and professors with economic sanctions and the possibility of loss of employment. Thus, he positioned himself against the majority sectors of the FA and the civil and social organizations that support the government, not because these groups agree with the teachers but because they oppose any form of repression.

Just as in the case of TISA, the national trade union federation (Plenario Intersindical de Trabajadores-Convención Nacional de Trabajadores, PIT-CNT) gave the first warning signal. In this case, it played a key role, acting as a mediator between the government and the teachers unions (NotiSur, Nov. 12, 2010). In that role, it ended up confronting both sides. The governing alliance was once again strained, leaving two clearly defined groups: the overwhelming majority that seeks to preserve traditional causes of the Uruguayan left and the minority group represented by Vázquez, Economic Minister Danilo Astori, and Foreign Minister Rodolfo Nin Novoa.

On March 27, days after it became known that Uruguay was participating in the TISA negotiations, the PIT-CNT leadership met with the president to express its opposition. At that time, Vázquez promised, "I will not sign any sort of agreement that is not supported by the Uruguayan people as expressed by their union, social, and political entities."

By then, the trade union federation had been joined by the international organization Stop TISA. Its Uruguayan members indicated that the agreement being negotiated in Geneva with 51 countries headed by the US and the European Union (EU) could force countries into an "economic neutrality obligation" between public and private suppliers of any service. All financial support for public services would have to be extended to private providers.
They explained that "if, in a sector, there are private services alongside public services (hospitals, schools, universities), in the name of open competition, both would have the right to the same government subsidies, all paid for by taxpayers."

Only lacking political opinion, the president sought the view of the FA, which, on Sept. 5, voted 117 to 22 (a majority of nearly 85%) that the TISA negotiations went completely against the historical proclamations of their alliance. Two days later, this clear decision led the president and his ministers to follow through on what Vázquez had told the PIT-CNT, and they decided to pull out of the negotiations in Geneva.

There was no international reaction, thus undermining right-wing opposition discourse by the Blanco (or National), Colorado, and Independiente parties that had predicted apocalyptic results.

Blanco leader Luis Lacalle Pou had gone so far as to say, "With this decision, Uruguay is isolating itself from the rest of the world, and thousands of jobs will be lost." With the naïve illusion that they could take advantage of internal disagreement in the ruling party to cause a break in the FA, the Blancos publically supported Nin Novoa whom, paradoxically, they will summon to the Senate at the end of October to explain the government decision.

Lacalle went further and offered Vázquez a "governability pact" in exchange for substantial modifications in the program voted on. Nin Novoa thanked him, saying, "What happened recently isn’t good," and he reiterated, "I’ll respond to the questions you ask me when I go to the Senate in response to an invitation from those who are in agreement with me [for the opposition on the right]."

Although Vázquez, Astori, and Nin Novoa are critical of the Southern Cone Common Market (MERCOSUR), the regional customs union remains the model of international integration advocated by the FA and the government. The resolution the FA congress adopted Sept. 5 specifically states, "The inclusion in the world will be through MERCOSUR," and it adds that countries like Uruguay, in isolation, "are not in condition to compete and influence, so that integration is an imperative to achieve a more efficient inclusion and generate greater negotiating power."

This doesn’t contradict Uruguay’s main concern: to achieve a Free Trade Agreement (FTA) between MERCOSUR and the EU. This agreement, currently in process, covers services in addition to investments, intellectual property, and real goods. Therefore, signing any agreement to join TISA alone would reduce the bloc's negotiating ability.

**Conflict brews with educators**

One week before the review of the decision regarding TISA began, during an Aug. 31 meeting of the Consejo de Ministros, the government had already rectified the decree of essentiality of the education sector. The decision reflected maturity and left the ultraradicals of the teachers union without an angle to continue their strikes and school occupations. For this to have occurred, the FA’s leftist wing had decided to act in conjunction with sectors that respond to Astori and Nin Novoa with an undeclared, but obvious, objective to distance themselves from the radicalized leadership of the Asociación de Docentes de la Enseñanza Secundaria (ADES).

The last week of August, the PIT-CNT leadership had already advised ADES and the Federación Uruguaya del Magisterio (FUM), the union representing primary teachers, to desist from their policy of confrontation with the government and accept returning to work when the president annulled...
the essentiality decree. The ADES and FUM response was extreme, threatening to break with the trade union federation. They had the support of labor groups from various government sectors, whose workers, by law, have the benefit of intangibility, a guarantee that their job security will not be affected except in extreme cases.

As a last resort, they asked for the resignation of the two top PIT-CNT leaders. PIT-CNT secretary-general Marcelo Abdala reacted strongly and denounced the ADES and FUM leaders. He said, "There are leaders who resort to the most serious opportunism and operate with the concept that the worse the situation is, the better their opportunities are."

In his criticism, Abdala referred to the tiny Partido de los Trabajadores (PdT), a party with Trotskyist roots that got only 3,218 votes out of a national field of 2.4 million registered voters in the last election. On this occasion, the PdT was clearly behind those who sought an extreme radicalization of the conflict and enjoyed the undisguised support of opposition dailies and television stations. The PdT put the two education unions at the service of the right.

After 12 years of dictatorship (1973–1985) during which the military had the backing of a good part of the Colorado and Blanco parties—including the current leaders of both groups—the Frente Amplio, the PIT-CNT, and university student groups were the only civil organizations that bore the violent repression and state terrorism, and they celebrated the return to democracy together and intact. It would be paradoxical if today an agreement such as TISA or a conflict like that of the education sector put at risk the unity of the Uruguayan left, which was forged from the beginning of its first political expressions in the early part of the last century when the Partido Socialista and the beginnings of a labor federation emerged from derivations of anarchical unionism. The FA has already lived through difficult moments—for example, in October 2005 when popular protests forced Vázquez to nullify the imminent signing of a FTA with the US—and it emerged strengthened and strongly united. This time, the debate left deep wounds, but the initial reactions of the parties makes one think the FA will again come out in one piece.