

Globalisation gone wrong

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IndustriAll Europe believes that international trade and globalisation can contribute to creating wealth and opportunities for everybody, so long as these are based on universal values and rules (as enshrined in international treaties and agreements like the Universal Declaration of Human Rights, ILO Conventions or the UN Sustainable Development Goals). Unregulated globalisation leads to increased inequality, downward pressure on wages and labour conditions, and weakened job security, potentially triggering a global race to the bottom and putting our social model at risk.

However, under the right set of rules, international trade has the potential to contribute to overall global growth, resulting from a higher degree of specialisation, economies of scale, advanced global value chains, rapid spread of research and technologies and the increased movement of capital and labour.

Nonetheless, globalisation also poses challenges to nations, sectors, companies and trade unions and workers, as competitive advantages constantly change due to new technologies and other innovations, technology transfers, changes in value chains. We can observe detrimental developments with crippling effects on societies, such as competition on poor - and even hazardous - labour standards, low wages, low environmental standards, unfair trade practices, tax avoidance and evasion and lowered corporate taxes and tax havens, to name but a few.

This is why “globalisation” has become synonymous with factory closures, loss of income, social injustice and grim future prospects for workers and their families. This anti-globalisation sentiment has been further reinforced by austerity policies, which have hit vulnerable people especially hard.

These developments have turned many people against international trade and globalisation, and populist politicians are more than ready to cash in on the situation by arguing for increased nationalism.

However, industriAll Europe believes that protectionism and nationalism never provide answers to any problem and will make us all poorer in the long run – economically, culturally and socially. IndustriAll Europe welcomes the fact that, with its *Reflection Paper on Harnessing Globalisation*, the Commission is finally starting to address these developments that we have been warning about for years.

We look forward to helping the EU Commission to “harness globalisation” and to make it fair, ensuring the respect of social and workers rights, rule-based and to the benefit of all of us.