

**Global Unions Statement of Priorities  
for the 7<sup>th</sup> WTO Ministerial Conference  
(Geneva, 30 November – 2 December 2009)**

***Introduction***

1. Despite the concerns expressed by millions of working women and men calling for trade justice worldwide there is still little on the table at the WTO for growth, development or the creation of full, decent and productive employment based upon the respect of workers' rights and other human rights. The global financial and economic crises have raised further doubts as to the potential benefits of trade liberalisation and have generated well-founded concerns that liberalising in a period of increasing unemployment could further deepen the crisis and increase social hardship.
2. Now is the time to assess whether the current Doha Agenda, which was set in 2001, contains the full set of issues relevant to the state of the global economy in 2009. It is clear that neither the set of issues, nor the state of discussion on those issues already on the agenda, correspond adequately to today's reality. Since the Doha Round started, the global economy has witnessed (and witnesses) a food crisis, a climate crisis, a financial crisis and a jobs crisis. And despite the existence of the WTO, trade imbalances grew to unsustainable levels and the global economy entered into deep recession, saved from depression by aggressive monetary policy and massive fiscal stimulus in many developed and large developing economies.
3. The deal currently on the table, based on the December 2008 modalities on NAMA and Agriculture, will not assist in enabling trade to result in employment creation world-wide and genuine economic development. Ultimately, this puts the multilateral trading system at risk - the Doha development agenda was supposed to be about sustainable development, yet there is no sign of either the economic or the social pillars that are internationally agreed to be an integral part of sustainable development. We need instead a multilateral trading system with a social and labour dimension that is linked in with other global institutions such as the ILO, UNCTAD, UNFCCC, WHO and other agencies of the UN. This is the wider challenge to WTO members that goes beyond the current modalities discussions. Until the WTO starts to put people first, globalisation will not give us the world we want with decent work and a decent life for all working women and men, worldwide.
4. Following the world food crisis, specific negotiations are needed to ensure that any WTO agreement on agriculture ensures food security as its primary objective. Further, a serious evaluation must be undertaken of the impact of potential Doha Round scenarios on the level and quality of employment in order to judge its impact on living standards, development, poverty and achieving the Millennium Development Goals. Without such analysis, it makes little sense to move forward in the hopes that liberalization alone will bring about employment and broadly shared prosperity.
5. If the WTO is to succeed in mobilising popular support for multilateral trading system, decent work should become the key objective of trade negotiations,

reflecting the outcome of the UN Millennium Summit in 2005 and the ECOSOC ministerial meeting of 2006 as well as the Social Justice Declaration of the ILO of 2008. Given the massive impact of the global economic crisis on working women and men, it is essential that the Global Jobs Pact adopted by the ILO in 2009 be taken fully into account.

6. The following are our proposals for negotiators as they prepare for final modalities.

*i) Regarding the outcome of the Round and its key negotiating areas, trade unions seek the following:*

**NAMA (Non-Agricultural Market Access)**

7. Governments should not adopt a NAMA package based upon the December 2008 draft modalities text. Rather, they should ensure that developing countries can apply a tariff reduction that is in line with their stage of development, in conformity with the agreed principle of less than full reciprocity, and substantially lower than the cuts undertaken by developed countries and the proposals for tariff cuts that are on the table. The current package would markedly reduce bound tariffs in developing countries and therefore substantially reduce their policy space. Given their stages of industrial development such reduction in policy space is premature and will lock developing countries into their current low value added production structure.
8. Governments should ensure that developing countries' "paragraph 8" flexibilities, as set out in the December 2008 text, are expanded substantially. The flexibilities, which allow for exemption of a certain percentage of tariff lines from the general formula cuts applicable to all sectors or allow for less than formula cuts, should allow for *both* the exemption of tariff lines as well as lower tariff cuts for a number of tariff lines. Developing countries should not have to choose between these two options. At the same time, these percentages should be increased to a percentage considerably higher than the current levels in brackets in order to assist developing countries in managing the adjustment of sensitive sectors and preventing the social disruption caused by job losses and closure of enterprises that would result from further liberalisation. The flexibilities should also allow for changes over time in the tariff lines that will be selected to be covered by paragraph 8 flexibilities, so as to respond to future industrial development needs.
9. The "sectoral approach" for zero tariff negotiations on a range of sectors in NAMA should remain voluntary. Developing countries should not be put under pressure to take part, in line with the decision in Hong Kong that such negotiations should be non-mandatory.
10. At this point in time, in the middle of a historic jobs crisis, it is unreasonable to expect any WTO members to make further and significant tariff cuts to already low bound rates without discussion of trade in its broader context together with other critical issues, such as industrial development, exchange rates and workers' rights.

11. Serious assessment of the real impact of the Doha Round on employment and development is vital. The push for expanding market access through harmonisation of tariff cuts could produce seriously adverse effects on factory closures, unemployment, deindustrialisation and increased poverty in many countries, developed and developing alike. All WTO member countries require the necessary policy space to be able to regulate their economies and in order to achieve economic recovery. It remains essential that before finalising their negotiating concessions, countries should be required to conduct an ex ante impact assessment, possibly at product or product group level, of the effects of these negotiations on development, decent work and standards of living with special attention to labour intensive sectors, including an analysis of the gender impact. The WTO, the ILO, UNCTAD and other relevant international institutions should work together to ensure developing countries have the necessary financial resources and independent technical assistance to undertake such impact assessments, which further require the involvement of trade unions to convey their views on how proposed concessions would affect the sectors they represent.
12. It was decided in Hong Kong that developing countries (apart from LDCs) will be required to bind 100% of their unbound tariffs by adding a mark-up to their current applied tariffs, as a basis for subsequent tariff reductions. These mark-ups should be set at a high number of percentage points, so that the countries concerned can maximise their policy space when it comes to the tariff reduction phase. Developing countries that are now being obliged to bind their tariffs should be able to alter that commitment on grounds of justified social and development purposes.
13. Paragraph 24 of the Hong Kong Declaration states that the level of ambition in market access in Agriculture and NAMA should be comparably high, and consistent with the principle of special and differential treatment. The current push for high ambition in NAMA (i.e. through agreeing on low coefficients, which will result in high cuts in import tariffs) is inconsistent with that paragraph. In its place, the principle of less than full reciprocity for developing countries must be maintained, i.e. demands in NAMA that stand to result in high import tariff cuts by developing countries should not be pursued.
14. An evaluation of non-tariff barriers (NTBs) should be undertaken, with the involvement of specialised UN agencies as well as trade unions and other civil society groups concerned, in order to ensure that reasonable requirements for consumer and environmental protection remain untouched by WTO rules.
15. The issue of preference erosion must be addressed through longer implementation periods and international assistance measures wherever any changes to preferential schemes are contemplated.

## **Services**

16. As the GATS negotiations process gathers pace once more, there is growing concern that their outcome could undermine the universal service obligations of governments and their capacity to regulate on the supply of services. Such obligations should not be subject to the constraints of GATS commitments, and governments must preserve full regulatory prerogatives. Basic public

services and public utilities should therefore be excluded from further GATS negotiations. Across all GATS negotiations, provision should be made on a horizontal basis to guarantee access for all to universal quality services at uniform and affordable prices at the point of delivery, where these are not freely provided. Such universal public provision is vital to move towards achieving the Millennium Development Goals (MDGs). The importance of universal services has been further demonstrated by their key role in cushioning the social impact of the global economic crisis.

17. The contradiction in the preamble of GATS, between its stated goals of liberalisation and regulation, must be resolved through a clarifying statement which would state explicitly that existing or new domestic government regulations cannot be challenged through WTO disputes settlement procedures under any pretext. Governments that do make commitments must include the strongest possible limitations (i.e. explicit exemptions from GATS commitments) to protect their right to regulate. In cases of doubt governments should apply the precautionary principle and refrain from making commitments at all.
18. The potentially negative impact of services liberalisation, including deregulation, has been shown by its contribution to bringing about a global financial crisis that has had a catastrophic impact on the lives of working people. Reregulation is urgently required and any GATS commitments for financial services liberalisation must be withdrawn without compensation as they run contrary to the need to regulate against speculation and put in place a pro-poor, pro-development regulatory framework.
19. The negotiations on domestic regulation under the GATS need to review the need for disciplines in this area. Current proposals for restrictions on domestic regulation should be withdrawn and GATS Article VI.4 needs to be deleted or revised in order to protect effectively the ability of governments to regulate and to enact domestic regulatory measures (in accordance with the preamble of the GATS).
20. The “positive list” approach to legally-binding GATS commitments must be maintained to enable WTO members to choose to preserve their policy space, in view of the effectively irreversible nature of any undertakings. No attempts for benchmarking or other minimum commitments should be made.
21. More transparency and inclusiveness around the negotiations is a necessity. All requests made of any member state must be publicised in that state so that the people of the country concerned can make their feelings on sensitive service and policy issues known to their government. Negotiators should be required to assess the impact of any commitments on development, employment and gender, both on a sectoral and overall basis, as required by Article XIX of the GATS treaty, before governments enter into commitments.
22. Regarding “Mode 3” of the GATS on ‘commercial presence’ (i.e. investment), GATS negotiations and commitments must ensure that governments can implement legitimate domestically-based economic development strategies, incorporate the right of governments to regulate in all areas of public interest, and include binding and enforceable investor obligations covering core labour standards and observance of the provisions of the ILO Tripartite Declaration on Multinational Enterprises and Social Policies, the OECD Guidelines for

Multinational Enterprises and environmental norms, as well as commitments not to lower domestic labour standards or violate core labour standards in order to attract investment.

23. The competences and structure of the WTO do not enable it to regulate the temporary cross-border movement of workers, as envisaged under the Mode IV negotiations, in a manner that protects migrant workers' rights and consequently the WTO should not be the place for decisions in this area. Should any governments nonetheless make offers on Mode IV, these must be preceded by formal trade union consultation and refer to respect for national labour law and existing collective agreements in receiving countries, as well as fundamental workers' rights, in order to ensure that migrant workers receive employment conditions no less favourable than those of nationals.

### **Agriculture**

24. The Agreement on Agriculture must be revised to ensure that developing countries may make use of the policy tools necessary to defend and develop national and local systems of food production, protect the rights of agricultural workers and their trade unions as well as small producers (most of whom are women), raise rural living standards and guarantee food security, i.e. universal access to adequate levels of food at affordable prices and on an environmentally sustainable basis.
25. In this regard, clear provisions for special and differential treatment are needed to ensure that developing countries possess the necessary degree of flexibility, especially with respect to their demands regarding special products and a specific safeguard mechanism for developing countries. A sufficient number of special products needs to be available for developing countries and the special safeguard mechanism should enable a country to respond quickly to import surges, by using a sufficiently high tariff during a sufficiently long time period.
26. An end date for the elimination of cotton export subsidies was agreed upon in Hong Kong, and these should be eliminated with immediate effect rather than linked to the conclusion of the Doha Round, in order to give an early harvest to least developed countries. Furthermore one of the most damaging forms of trade distorting support comes from domestic subsidies for cotton, for which an early end date still has not been set. This should remain a priority.
27. Domestic agricultural subsidies need to be reduced, and oriented in ways that encourage socially and environmentally sustainable methods and protect the rights, the living standards and the health and safety of agricultural and plantation workers, rather than overwhelmingly benefiting corporate agribusiness as at present, and avoid any "box shifting" to reclassify products illegitimately or to expand inequitably the category of "sensitive products". Any new agreement on Agriculture has to reduce the applied level of domestic support spending, and not just cuts in the bound levels of spending as is currently the case.
28. The WTO must not be used to undermine existing Multilateral Environmental Agreements such as the Biosafety Protocol to the Biodiversity Convention.

29. Potential benefits in agriculture should not be traded off against liberalisation under NAMA that would cause unemployment and deindustrialisation, particularly since any benefits from increased market access in agriculture are likely to flow to a few developing countries only and to benefit capital intensive agriculture, and in any case stand causing a roadblock to the future development of industrial production.

### **Development, Employment and Trade**

30. The current crisis has led to a large-scale increase in unemployment and underemployment worldwide. Countries undergoing severe economic adjustments should not be forced to make further adjustments before pre-crisis employment levels are restored.
31. An evaluation of the impact of Doha Round trade liberalisation on the level and quality of employment is essential in order to judge its impact on living standards, development, poverty and achieving the MDGs. The impact on employment must, therefore, be a condition to be addressed in agreement-specific language in all the individual agreements in this Round. The ILO, given its technical expertise in this area, must play a key role in such analyses.
32. The current path of trade liberalisation gives too little attention to the costs. A more comprehensive set of transition policies needs to be developed, including adequate social protection. Ignoring such costs will further increase poverty both in developing and industrialised countries, due to increased unemployment and the shift of formal to informal and unprotected employment. Furthermore, developing country governments need to devise coherent strategies to achieve industrial development based on the active promotion of diversified and value added activities and a decent work agenda to foster the creation of full, productive and decent employment. They should adopt unified trade and industrial policies accordingly, such that their development strategies define the modalities for trade negotiations rather than the other way around.
33. Decent work is fundamental to the realisation of the goals of sustainable social and economic progress. That is why, as indicated above, trade negotiations must take place on the basis of a fully informed assessment (with the involvement of trade unions) of their impact on the level and stability of employment, respect for fundamental workers' rights, equality between women and men, good working conditions, social protection and access to quality public services. The pursuit of short-term competitive advantage through the violation of fundamental workers' rights undermines long term development prospects, and the WTO must go beyond the unfulfilled commitments of previous WTO Ministerial Declarations on core labour standards. The ILO Social Justice Declaration states in that respect: "that the violation of fundamental principles and rights at work cannot be invoked or otherwise used as a legitimate comparative advantage and that labour standards should not be used for protectionist trade purposes." Repression of workers' rights in export processing zones, with a particularly negative effect on women workers, constitutes a significant distortion of trade. In no circumstances should export processing zones be used to justify violation of workers' rights.

34. LDCs need an early harvest from the Doha Round, in particular in the area of cotton as mentioned above, as well as in the area of Duty Free Quota Free market access for LDCs.
35. Article XXIV of GATT and Article V of GATS need to be revised to allow for asymmetric bilateral and regional trade agreements between partners at differing levels of development, in place of the current WTO rules that require near-symmetry of commitments with serious impacts on development in the developing countries concerned.

***ii) Regarding the implementation of WTO procedures and decisions:***

36. It is a key objective of the Doha Round to qualitatively increase developing country participation in the WTO. This needs to be facilitated through further improvements in transparency of WTO working methods and procedures in order to enable smaller countries to participate effectively in WTO decision-making, including at key moments such as during mini-ministerials and small group meetings.
37. Another area that requires full attention by negotiators is the provision of special and differential (S&D) treatment for developing countries, allowing adequate flexibility in the implementation and interpretation of the various WTO agreements when required by their levels of economic and social development. The negotiations on S&D should not be left until the very end of the Doha Round, but should be dealt with up-front in parallel with the main areas of negotiations.
38. The WTO accession process should be reviewed urgently in order to enable accession for developing countries to be beneficial. The current demands that are being made on many small and vulnerable developing countries would reduce a large part of the policy space that is required for development and result in commitments that go far beyond those made by existing developing country members – in some cases, even beyond those made by developed countries. In addition the current secrecy needs to be replaced by transparency in the accession negotiations process with full involvement of trade unions.
39. It is the responsibility of governments to provide adequate funding for employment assistance when jobs are lost. The international institutions and the “demandeur” countries should assist developing countries to implement such policies, including the provision of funding for development of infrastructure and skills, particularly since the processes of trade liberalisation and structural adjustment in developing countries have already caused a significant loss of employment and income.
40. “Aid for Trade” should provide new money and should not be a reallocation of existing resources. Furthermore, aid for trade should not be provided as a trade-off for obtaining concessions from developing countries in the negotiations. Neither must it be used as a substitute for achieving adequate trade benefits for developing countries from the Doha Round. As many developing countries have stated, instead it must be allocated to the building of supply-side capacity and not simply further “expertise” to convince them of the benefits of trade liberalisation.

41. Given the legally binding nature of WTO rights and obligations, the WTO's dispute settlement understanding (DSU) should provide a fuller role for whichever UN agencies are concerned specifically in any particular complaint and, should further open disputes panel and appellate body hearings to the public, developing criteria and procedures requiring acceptance of amicus curiae submissions.
42. Given that the joint WTO-ILO study on "Trade and Employment" concluded that trade reform has clear impacts on employment and underlined the need for labour, social and redistributive policies as well as coherence between trade and labour policies, and also showed that trade union rights do not reduce competitiveness but could actually increase productivity and exports, more efforts should be made to respect trade union rights and to give scope for representation of the interests of working women and men in the WTO, including through the creation of a formal consultative structure equivalent to the trade union advisory committee (TUAC) to the OECD.
43. On the basis of paragraph 56 of the Hong Kong Declaration, the WTO should now take steps to ensure the full involvement and assistance of key UN agencies including the ILO in WTO processes and in the current negotiations, as a move towards granting observer status and as part of a genuine integration of the WTO into the UN system as a whole. Achieving such coherence should be facilitated through a decision to convene a first-ever global meeting of Trade and Labour Ministers, with the participation of trade unions and employers' organisations.
44. Regarding **the conduct of WTO business**, trade unions consider it essential that:
- The requirement for a thorough **analysis of social, gender and environmental concerns, including employment, workers' rights** and related provisions, should be made **a mandatory item in future trade policy review mechanism (TPRM) examinations** of WTO members. Trade unions' presentations or their written contributions must be part of these examinations, as required.
  - The General Council should agree to the need for comprehensive examination of the **impact on employment and development** which may result from the progressive implementation of trade liberalisation measures, and set up a formal mechanism to develop specific guidelines within its terms of reference. A full and legitimate **role for the ILO** in undertaking impact studies and evaluations in all WTO discussions needs to be recognised.
  - In line with the commitments of WTO members on decent work agreed in various fora, the final WTO Ministerial Statement to be adopted at the end of the Doha Round should mandate the WTO to establish a **working party on trade, globalisation, development and decent work**, with the objective of promoting a better understanding of the issues involved and their relevance for promoting trade relations through a substantive dialogue among WTO members.

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