



Global Unions Statement of Priorities for the 10th WTO Ministerial Conference (MC10) Nairobi, Kenya, 15 - 18 December 2015

“We reaffirm our commitment to the development objectives set out in the Doha Declaration....”

Ministerial Declaration and Decisions,
9th WTO Ministerial Conference

Deliver the Doha Development Agenda

After almost 15 years of negotiations, the Doha Development Agenda has yet to be delivered. Although there have been five Ministerial Conferences after the Doha Ministerial, there were no significant outcomes on issues faced by developing countries and least-developed countries (LDCs). Trade in agriculture is greatly important for the poorest women and men and for most developing countries. However, the current impasse on agricultural export subsidies and other trade-distorting domestic support is not helping to advance the globally declared goals for food security.

The ‘Singapore issues’ received a strong push with the Trade Facilitation Agreement in 2013 and the update of the Government Procurement Agreement. However, consolidating existing rules on investment and competition (as in current trade and investment agreements) would not be appropriate at this stage, as investment treaties grant aberrant privileges to private investors and competition laws are tenaciously directed to only protect consumers while omitting producers’ protection from market power abuse.

The international trade union movement calls the Ministers to put sustainable development on the top of the agenda and deliver a strong mandate for action on agriculture. A new multilateral trading system can contribute to economic recovery and to resolving other crises, but such contributions are neither inherent nor automatic. Only balanced and inclusive trade and investment rules can help to reduce income inequality, address climate change and eliminate poverty.

Agriculture

Trading arrangements for agriculture have great impact on the one billion people who depend on subsistence agricultural activities. The WTO Members must ensure that an Agreement on Agriculture guarantees food security and improves the incomes and livelihoods of small producers. It should also guarantee that WTO rules on agricultural subsidies do not treat developing countries in a discriminatory way.

The international trade union movement urges WTO Members to:

- allow governments to classify stockholding programmes for food security purposes under the “green box” provision of the Agriculture Agreement;
- allow all WTO members, including developed countries, to raise their import protection on agricultural products they are not exporting, as this was the case under the GATT up to 1994;
- provide for a functioning Special Safeguard Mechanism in order to help developing countries react to import surges;
- however, foster duty-free and quota-free (DFQF) imports of food products from Least Developed Countries (LDCs) by all Members as long as they do not harm their domestic food consumption;
- forbid exports of food products at prices below the average national production cost, taking into account domestic subsidies as well as export subsidies;
- more generally, eliminate the distinction of subsidies according to the colour of the boxes in which they are notified, as it has no scientific justification, which is in line with the four WTO Appellate Body rulings that domestic subsidies of all boxes must be taken into account in assessing dumping;
- in particular, eliminate all cotton subsidies, and all other subsidies that damage food security and domestic production in the developing world;
- raise the allowed de minimis support for developing countries, including by updating the method of calculation, particularly for those without Aggregate Measurement of Support (AMS) commitments and taking inflation into account.

Non-Agricultural Market Access (NAMA)

Attention has been shifted to market access issues, either in the context of non-agricultural market access negotiations (NAMA), or with plurilaterals like the expansion of the Information Technology Agreement (ITA) and the new endeavour to liberalise “environmental goods”. If the conclusion of the Doha Round is to have a positive impact on development, the WTO needs to address the issue of an ever-decreasing policy space for all countries. In NAMA negotiations, the principle of less than full reciprocity for developing countries must be maintained in line with paragraph 24 of the Hong Kong Declaration that states that the level of ambition in market access should be consistent with the principle of special and differential treatment.

We urge WTO Members to shift away from the Swiss formula approach towards an average cut approach. This would provide more flexibility to developing country members to develop or maintain an industrial policy as they can choose the specific tariff lines where cuts will be applied. They should also be able to change cuts on specific lines over time in line with their industrial development needs. Furthermore the level of the average cut should respect developmental levels and needs of countries, be based on the principle of special and differential treatment and commensurate with the level of ambition of a deal on agriculture and to be decided after delivering on the developmental mandate of the round.

Development

The Doha Development Round has a clear “implementation agenda” aiming at delivering the developmental mandate of the Round. The WTO Members should conclude an ambitious Agreement to operationalise Special and Differential Treatment principles.

The trade union movement urges WTO Members, developed and developing countries, to agree to:

- simplify the Rules of Origin so as to facilitate LDCs to make use of preferential access to markets;
- allow unilateral duty-free quota-free access for all LDC products;
- extend indefinitely the waiver on services currently enjoyed by the LDCs; and
- amend the Monitoring Mechanism so as to improve the impact of Special and Differential Treatment provisions on development.

Services

Most developing economies do not have competitive, by international standards, services sectors. Granting access and national treatment to a wide scope of services providers from developed countries would lead many local service providers out of the market while creating few opportunities for the local economy. Therefore, it is imperative that the flexibilities of GATS Article XIX: 2 and the aims of Article IV, as well as in the existing negotiating mandates such as Annex C, are the basis of all post-Bali work on services.

Several WTO Members, mainly from OECD countries, have initiated secret negotiations for a Trade in Services Agreement (TiSA) that aims at liberalising virtually all services and imposing horizontal regulatory disciplines. The conclusion of this Agreement could lock-in and intensify the privatisation and commercialisation of quality public services, further deregulate the financial markets and impose a regulatory straightjacket on sovereign nations. In particular, the inclusion of the so-called ratchet and standstill mechanisms would have the effect of locking in the current degree of liberalisation and confining public policy space. Re-municipalisation of public services would no longer be a possible option.

The international trade union movement has serious concerns about how TiSA could undermine the single undertaking mandate of the Doha Round. Trade unions are calling governments to:

- completely exclude public services and utilities, including education and health care, from the scope with an explicit carve-out in the core texts of all multilateral and plurilateral negotiations on services;
- uphold regulatory sovereignty to ensure high standards of services and decent work, and reject clauses and new disciplines, such as standstill and ratchet clauses and other restrictions on domestic regulation, that limit policy space irreversibly;
- guarantee that services negotiations will reverse the deregulation of the financial sector, including by exempting prudential financial regulations from necessity tests;
- temporary free movement of workers must under no circumstances undermine labour and social law and collective agreement provisions of the host country and it should always be based on preliminary analysis of the labour market. Lack of enforcement of such guarantees shall be subject to dispute settlement;
- create and implement international standards for labour recruitment services providers that are consistent with ILO Conventions No. 29 and No. 105 and the ILO Protocol of 2014 to the Forced Labour Convention and other international consensus recommendations for eliminating trafficking in persons;

- include enforceable labour and environmental standards as well as a well-resourced capacity-building mechanism to facilitate the upward convergence of these standards;
- ensure privacy and data security; and
- ensure that the negotiations are subject to genuine, transparent and democratic processes in each country with the involvement of the social partners and civil society organisations, including in the determination of level and breadth of coverage.

If such conditions are not met, the TiSA should be rejected.

Labour and the WTO

The WTO and ILO should jointly undertake impact assessments of negotiating proposals on the quantity and quality of jobs as well as on development and production structures of countries. These assessments should also include a review of wage trends, including an analysis of the labour share of national income, and make recommendations for labour rights enhancements where it is clear that workers do not have sufficient market power to raise their wages in line with the productivity increases.

The Trade Policy Review Mechanism should start taking into account labour standards violations in export sectors. In order to support inclusive growth, the WTO shall promote internationally agreed labour standards with trade instruments. The Aid for Trade should secure resources to cover adjustment costs and skills development for workers affected by trade liberalisation.

An Inclusive World Trade Organisation

The WTO should take measures to ensure that its policies and negotiations promote structural transformation and industrialisation, the creation of decent work, universal access to quality public services, social protection, harmonisation based on high labour and environmental standards, democracy and transparency.

A comprehensive assessment of every agreement's impact on environment, and on economic and social development, is a prerequisite for informed negotiations. The WTO should initiate a global effort, similar to the "Made in the World" initiative, to create credible economic modelling to measure the impact of trade opening on inequality, job creation, industrial development, environment, public health, and financial stability.

Transparent, accessible and democratically accountable negotiations at bilateral, plurilateral and multilateral level are essential if progress is to be achieved towards greater inclusion, the attainment of globally declared goals such as the Sustainable Development Goals, and effective global governance.