



# Global Unions Statement of Priorities for the 11th WTO Ministerial Conference (MC11)

**Buenos Aires, Argentina 10 – 13 December 2017**

“...there remains a strong commitment of all Members to advance negotiations

on the remaining Doha issues. This includes advancing work in all three pillars of agriculture, namely domestic support, market access and export competition, as well as non-agriculture market access, services, development, TRIPS and rules.”

“This work shall maintain development at its centre and we reaffirm that provisions for special and differential treatment shall remain integral.”

Ministerial Declaration and Decisions,  
10th WTO Ministerial Conference

Trade in agriculture is greatly important for all but particularly for the poorest women and men producers and for most developing countries. 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. A permanent solution to public stockholding would advance the efforts to achieve the Sustainable Development Goals (SDGs).

The developmental mandate of the Doha Round stands many years now without agreement on how to implement it. Members need to find the political will to agree on issues like the Special Safeguard Mechanism (SSM) and relaxed rules of origin and duty-free and quota-free market access for all LDC products, which are key in order to achieve the SDGs.

Developed countries should make preferential access to their markets conditional on the respect of ILO standards and work on special mechanisms to increase the capacity of developing countries, and in particular LDCs, to bring their laws in line with ILO standards and guarantee an ever-improving implementation. Liberalisation of trade and competition without better and safer working conditions for the workers who produce and distribute goods and services will fail to deliver the developmental mandate of the negotiations and reduce the potential positive impact of an inclusive trade system on the economy.

The WTO Membership should be taking bold decisions to restructure the international trading system in order to make trade work for development and the achievement of the Agenda 2030, including the creation and promotion of decent work. The international trade union movement calls on the Ministers to put development on the top of the agenda, deliver a strong mandate for action on agriculture, and agree a fair regime on fisheries that helps the oceans recover their stocks. Avoiding introducing new negotiation issues, like e-commerce, at this stage would help focus discussions on how a new multilateral trading system could contribute to economic recovery and the achievement of the SDGs.

## **E-commerce**

WTO Members have tabled ambitious positions proposing the initiation of negotiations on e-commerce. Among other things, they propose the removal of tariffs and granting national treatment to digitally traded goods and not least they demand the free flow of data. The proponents of e-commerce negotiations claim that a WTO agreement would help smaller economies and the Global South catch up in terms of participation in global e-commerce and that small and medium enterprises (SMEs) would be the main beneficiaries.

However, the ones who would benefit most out of a WTO e-commerce agreement are multinational tech companies that have grown exponentially and are becoming effective monopolies. These companies, also known as the Big Five, or Big Tech, hold unprecedented political, economic, technological and innovative power. So far, the Big Five have been avoiding and evading their tax responsibilities. Some of the Big Five and other platform economy companies are using the technology to impose a new precarious employment relationship where workers appear as self-employed entrepreneurs deprived of social security benefits, paid leave and other workers' rights.

Data, as the new gold, is a valuable resource used to target consumers with advertising, news, products and services, which all in turn again create new data and new insights. Indeed, it is estimated that by 2020 15-20 per cent of the global GDP will be based on data flows.

The Global Unions urge WTO Members to:

- drop the proposals on e-commerce and focus on delivering the Development Doha Agenda.

## 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 and agricultural workers, who are among the most vulnerable and who often do not enjoy even fundamental workers' rights. 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 (SSM) in order to help developing countries react to import surges;
- 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 this has no scientific justification; such elimination would be in line with the four WTO Appellate Body rulings that domestic subsidies of all boxes must be taken into account in assessing dumping;
- 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)

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 towards an average cut approach. This would provide flexibility to developing country members to maintain an industrial policy, as they can choose the specific tariff lines where cuts would be applied and make changes on cuts of tariff lines over time to serve their industrial development needs. The level of the average cut should be based on the principle of special and differential treatment and commensurate with the level of ambition of a deal on agriculture.

## Labour and the WTO

The WTO, consistently with the adoption of the Agenda 2030, should formally include in its mandate labour and social issues linked with the Decent Work Agenda of the ILO, including with potential enforceable labour and environmental standards and a well-resourced capacity-building mechanism to facilitate the upward convergence to these standards.

A comprehensive assessment of every agreement's impact on environment, and on economic and social development, is a prerequisite for informed negotiations. 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 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.

The Trade Policy Review Mechanism should start taking into account labour standards violations in export sectors. In order to support inclusive growth, the WTO should 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.

WTO Members should reach an agreement on rules that would allow conditioning (negatively or positively) market access on the achievement of agreed goals relating to social development and labour standards and environmental protection.

The WTO should ensure that its 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.

## 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. Some WTO Members tabled new proposals on Domestic Regulation that aim at further disciplining regulation-making.

The Global Unions have serious concerns about how these proposals and the TiSA negotiations 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;
- ensure that temporary free movement of workers under no circumstances undermines labour and social law and collective agreement provisions of the host country and that it is always 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, the ILO Protocol of 2014 to the Forced Labour Convention, the ILO guidelines for fair recruitment adopted in 2016, and other international consensus recommendations for eliminating trafficking in persons;
- include enforceable labour and environmental standards and a capacity-building mechanism; and
- ensure privacy and data security.

## Fisheries

Overfishing is a problem that threatens the sustainability of the global marine ecosystem. Disciplining subsidies with WTO rules could be a step in the right direction if it respects the principle of special and differential treatment. Subsidies to big industrial fleets that have been overfishing for decades should not be treated in parity with subsidies given to a fisher-persons with small capacity in developing countries.

Trade unions call WTO Members to:

- introduce disciplines and limitations on fishing subsidies in a way that does not affect small fishing communities; and
- consider fishing subsidies broadly so as to include fossil fuel subsidies and other advantages given big fleets.

## Development

In order to facilitate the achievement of Agenda 2030 and guarantee policy coherence, WTO Members should integrate the Sustainable Development Goals of the Agenda 2030 in the development mandate of the organisation and concentrate efforts in making progress in the Doha Development Round and its Implementation Agenda, consistent with these goals.

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

- instrumental use of preferential access schemes on condition of ILO standards implementation and in order to achieve the goals of the Decent Work Agenda;
- operationalise and implement the LDC package agreed in Bali in 2013;
- 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 enjoyed by the LDCs; and
- conclude an ambitious Agreement to operationalise Special and Differential Treatment principles and amend the Monitoring Mechanism so as to improve the impact of Special and Differential Treatment provisions on development.

## **Transparency in the World Trade Organisation**

The WTO membership must 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.

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