



Global unions statement to the 13th WTO Ministerial Conference (MC13)

Abu Dhabi / February 2024

Trade rules must protect people and the planet.

The prevalence of substandard working conditions and low wages affects workers' standard of living across the globe. As **wages fail to keep pace with the cost of living**, workers' and their families are forced into increased poverty and precarity. Our global economy is increasingly characterised by **forced labour, child labour, precarious work, and informality** as it continues to prioritise profits over the rights of workers, people and the planet.

Inflation is becoming deeply entrenched, propelled by a complex interplay of factors, including unravelling supply chains, low productivity, heightened demand, resource scarcity due to overexploitation, price gauging, and the consequences of decades of investment short-termism and speculation. Frequent and severe environmental catastrophes disrupt the agricultural, industrial, and service sectors, contributing to further shortages. As governments grapple with these challenges, they resort to export restrictions, which further exacerbates the impact on global trade. This dire situation is further compounded by on-going conflicts and wars.

The global trading system lacks resilience. This lack of adaptability and robustness amplifies the negative effects of shocks, hinders recovery and impedes sustainable development.

The crisis facing the WTO demands a major rethink of the role of trade in the global economy. The WTO can no longer pretend that trade rules are not connected to labour rights, inequality, climate change, and other pressing global challenges.

The 2000s development agenda has remained unaddressed for over two decades. It included the operationalisation of special and differential treatment, the rules governing subsidies in agriculture, and the flexibilities afforded to developing countries. Instead of focusing on delivering social justice and development, a short-sighted reform agenda is emerging and risks further embedding inequitable treatment.



The 13th WTO Ministerial Conference must prioritise social justice and solidarity and foster a just, sustainable, and resilient global trading system that benefits workers and economies worldwide while restoring the planet's health.

The ministers should ensure a just transition to a zero-carbon economy with labour rights and collective bargaining for resilient supply chains, and energy-efficient and sustainable domestic production.

Every country must have the policy space and the ability to pursue domestic development and industrial goals, including the provision of quality public services, education, and social protection.

We call on ministers to agree to pursue and address the following priorities.



WTO Reform

The WTO rules, as well as those that govern global finance, create, sustain and deepen imbalances and inequalities in the global economy. A recent example of this was the shameful handling of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Waiver proposal that would have improved access to vaccines against COVID-19. Instead, developed countries and Big Pharma lobbyists pressured and managed to protect intellectual patents often developed with public funds at the expense of lives, especially those in the poorest nations.

The WTO rules must be re-assessed and modernised in response to current challenges. The principles for the WTO Reform should be social justice, solidarity, international development, and a just transition to a zero-carbon economy. WTO members must commit to ambitious and systemic changes related to labour standards, global warming, gender equality, social and economic cohesion and respect for labour and human rights. WTO rules that prevent the production of affordable medicines, support for domestic agriculture and industries, and undermine protections for workers' data should be scrapped.

Make the Doha Development mandate central to WTO Reform

To achieve the goals of the 2030 Agenda and accelerate development, WTO members must re-affirm and ambitiously bring back the Doha Development Round and its implementation agenda. The developmental mandate of Doha must be delivered and made central to WTO Reform.

The WTO reform process must preserve the policy space of governments to design and implement national development policies to pursue economic diversification and move up in the global value chain. WTO members should support the industrial and economic development of developing countries while supporting the implementation of ILO core standards.

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

- *Operationalise and implement the least developed countries (LDC) package agreed in Bali in 2013.*
- *Simplify the rules of origin to facilitate Least developed countries (LDCs) to make use of preferential access to markets.*
- *Allow unilateral duty-free quota-free (DFQF) access for all LDC products; extend the waiver on services enjoyed by the LDCs indefinitely.*
- *Conclude an ambitious agreement to operationalise special and differential treatment principles and amend the monitoring mechanisms to improve the impact of such provisions on development.*



Recognise fundamental labour standards in the WTO

In 2008, ILO member states, which are also WTO member states, promulgated the Declaration on Social Justice for a Fair Globalization. The Declaration reaffirmed constitutional principles, that labour is not a commodity, and that in a global economy “*an improved and fair outcome for all has become even more necessary in these circumstances to meet the universal aspiration for social justice.*” However this goal remains to be achieved, as weak labour law, weak enforcement, and the proliferation of special jurisdiction zones, create opportunities for labour exploitation in order to maintain or attract trade and investment. As such, labour standards must be taken out of competition, so that workers worldwide are guaranteed a global floor.

In our view, the **GATT and GATS must be read to protect the fundamental labour rights**. As such, we urge the WTO to pursue an authoritative interpretation of Articles’ XX and XIV references to “public morals”. In this manner, the WTO could protect fundamental labour rights without recourse to any new instruments or amendments to existing ones.

The ITUC also urges greater cooperation between the ILO and the WTO. Compliance with the ILO Conventions and the highest environmental and social standards must be prioritised in trade negotiations. WTO rules must promote the ILO Decent Work Agenda throughout supply chains, making use of the OECD Guidelines on Multinational Enterprises and the UN Guiding Principles on Business and Human Rights and promote protection of and respect for international labour standards. The WTO must integrate these objectives in its mandate and play an active part in their achievement. Further, the **Trade Policy Review Mechanism** should include consideration of parties’ failure to ensure respect for labour standards with the participation of workers’ representatives. The **Aid for Trade** initiative should secure resources to fully cover adjustment costs and skills development for workers who experience job losses due to trade liberalisation.

*The WTO should pursue an authoritative interpretation of Art XX and Art XIV references to “public morals” with a view to including the protection of **Fundamental Principles and Rights at Work** in its workings. Members should seek to create a labour protection floor and an environment for investment to increase its contribution to development through higher wages, social security, and representation rights.*

Introduce environmental standards in the WTO

The reform must aim to establish a floor for environmental protection with capacity-building mechanisms and enforceable environmental standards. Any agreement on environment and climate should include the facilitation of a transfer of green technologies needed to mitigate global warming.

The WTO must introduce environmental standards and ensure that all agreements and rules are in line with the goals of the Paris Agreement and COP decisions. With the participation of workers’ representatives, the Trade Policy Review Mechanism should monitor and consider failures to adhere to environmental standards.



To accelerate the transition to greener economies, whilst supporting the formalisation of informal jobs, countries need to convert from exporting raw materials to selling high-value production and develop a wider industrial base and manufacturing economy, as a basis for jobs-led growth. The WTO must support local procurement rules and promote regional industrial policies.

Address the imbalances in the Agreement on Agriculture

With 783m people facing hunger, it is imperative the WTO changes course on the imbalanced Agreement on Agriculture that has undermined food security for decades. Agriculture and food need specific attention in trade agreements. Trading arrangements for agriculture significantly impact one billion people who depend on subsistence agricultural activities. WTO members must ensure that an agreement on agriculture guarantees food security and improves the incomes, livelihoods and rights of agricultural workers and small producers, while ensuring the social, economic and environmental sustainability of the food sectors. Such an agreement should also guarantee that WTO rules on agricultural subsidies do not discriminate against developing countries and undermine their domestic food producing capacity. These countries must be allowed to support their domestic food production.

The MC13 must address agriculture and not let this issue fall off the table as in MC12. We urge the WTO members to agree to:

- *Allow governments to use stockholding programmes for food security purposes.*
- *Eliminate the distinction of subsidies according to the colour of the boxes in which they are notified, as it has no scientific justification.*
- *Provide for a functioning special safeguard mechanism (SSM) to help developing countries react to import surges.*
- *Foster DFQF imports of food products from LDCs by all members if they do not harm their domestic food consumption.*
- *Forbid exports of food products at prices below the average national production cost.*
- *Eliminate all cotton subsidies and all 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 by taking inflation into account.*

Introduce more flexibility on intellectual property rights to guarantee access to global public goods

The WTO could play a decisive role in assisting the production of vaccines, tests, and protective equipment by agreeing to extend and expand the agreed TRIPS waiver. Advanced economies, many of which have secured



more than enough vaccines for their own populations, are reluctant to enabling meaningful progress and instead prioritise the interests of a few pharmaceutical corporations. We condemn this lack of solidarity from developed to developing countries, and we are concerned by the lack of courage to agree on a meaningful TRIPS waiver.

The WTO Members should agree to expand the suspended intellectual property protection rules on vaccines against COVID-19. The exceptions should cover treatment and diagnostics, not only vaccines, and be extended to cover all life-threatening diseases and illnesses, not only COVID-19.

Preserve policy space for governments to regulate e-commerce

Cross-border data transfers, data storage and uses, access to source codes, and other supposed e-commerce issues are inherently political, as they determine: the future distribution of wealth and power; access to technology; access to information and dealing with disinformation; the quality of good governance and democracy as well as the mental health of its users. The scope of these topics means that they must be scrutinised carefully and with a far broader lens than is proposed.

The WTO, with its reductive approach to government regulation, is not the appropriate forum for discussions related to governance on the future of work and the global economy to be agreed. It is worth noting that the proposals tabled by the most assertive advocates of these negotiations are identical to big tech's demands, which is another reason trade unions view this endeavour with grave scepticism. Digitalisation policies must take into account human and trade union rights, solidarity, and social justice, and not be driven by the interests of a few big multinational corporations.

The policy space necessary to meet the regulatory challenges of the open-ended technological development of digitalisation must be preserved. The ability of governments to regulate the digital economy in the public interest and to preserve the space for public data access and control must be sustained and further developed.

We support a workable solution on the moratorium on customs duties on electronic transmissions. Every country should have policy space to implement strategies for its digital industrialisation.

Governments should agree on rules and establish institutions for global data governance with data rights in an appropriate forum, with the participation of social partners, and with a clear mandate to ensure data-driven technologies are accessible to all.

Abandon negotiations on investment facilitation and domestic regulation disciplines

The negotiations on investment facilitation relate to the predictability and objectivity of investment measures, administrative procedures and mediation mechanisms, among other things. Many of these areas overlap with domestic regulation disciplines negotiations. Both negotiations aim to limit government competence to pursue



investment policy with national objectives and instead establish a corporate-friendly environment for investors to exert their power to block or water down government regulation.

The investment facilitation negotiations include references to Responsible Business Conduct, however, none of these create any mandatory obligations on multinational enterprises or governments.

Investment facilitation and the domestic regulation disciplines agreements would expand the GATS obligations and further curtail governments' ability to establish their own investment policies and criteria. Foreign investors already enjoy bizarrely excessive privileges under bilateral investment treaties (BITs) that allow them to challenge regulation on an ad hoc basis and directly in investor-state dispute settlement (ISDS).

Governments have national competence to facilitate, attract and promote investment unilaterally. There is no advantage in committing national investment policy and domestic regulation to the WTO. We call on WTO members to abandon the negotiations and any resulting agreements.

Further, the WTO Agreement on **Trade-Related Investment Measures (TRIMs)** already restricts many such government measures and establishes transitional periods. The pandemic has shown the value of promoting local production and, *WTO members should, therefore, engage in negotiations to review the restrictive TRIMs regime and suspend provisions that pose barriers to development policy.* Countries are always free to grant equal treatment to foreign investment unilaterally.

Reach a full agreement that rationalises fishing subsidies without affecting the fisherfolk

The MC12 achieved a partial agreement on fishing subsidies which needs to be completed by an ambitious agreement at MC13. Overfishing is a problem that threatens ocean sustainability. Subsidies to big industrial fleets that have overfished the oceans for decades should not be treated in parity with subsidies given to small-capacity fishermen in developing countries. Forced labour remains a serious issue, particularly on deep water fishing vessels, and one that should be addressed in these negotiations. Disciplining subsidies with WTO rules would be a step in the right direction if such an approach respects the principle of differential treatment.

Trade unions call on WTO members to address fishing subsidies in ways that do not affect small fishing communities and to consider fishing subsidies broadly by including fossil fuel subsidies and other advantages given to big fleets.



ITUC CSI IGB



The WTO rules play a crucial role in global economic governance. The existing trade rules have contributed to a global economy characterised by profound inequalities, labour exploitation, and climate change. The ongoing crisis within the WTO is a stark warning and urges a shift in direction. Billions of people have been left out of the benefits of trade, which predominantly favour a small global elite. It is imperative to reassess and redirect our approach for a more inclusive and equitable global economic landscape.

Now is the time to take action.