

October 2013

Dear Members of the World Trade Organization (WTO),

We, the undersigned trade unions and civil society organizations, representing hundreds of millions of members across the globe, are writing to express our deep concern over negotiations in the WTO to expand the Information Technology Agreement (ITA) to the ITA-II. The international trade union movement and international civil society are concerned about the expansion of ITA because it could further harm workers, particularly in developing countries, that have yet not benefited from the agreement, and possibly deteriorate the developmental prospects for those which participate.

The information and communication technology (ICT) sector has enormous capacity to contribute to domestic industry creation, employment generation, and technological development. Unfortunately, claims of the ITA's potential benefits have failed to materialize for the majority of workers in participating countries. The necessary diffusion of technology and the need to overcome the digital divide within and across countries requires policy space for governments in order to implement industrial policies that enable them to develop their own industries or to increase the ownership of production of ICTs in supply chains in which they operate. Instead of promoting industrial capacity, job creation, and technological diffusion, the ITA has eroded policy space for the majority of developing country participants. Experiences with the ITA indicate that from the point of view of developing and Least Developed Countries (LDCs), irreversible and binding commitments under the potential ITA-II could likely damage their present and future growth potential.

**An expanded ITA might lead to an erosion of domestic manufacturing and loss of growth potential.** ICT is an important manufacturing sector with the potential to generate domestic industries and exports. Unfortunately, ITA tariff reductions have opened the flood gates to imports into the domestic markets of many developing countries, with many local manufacturers being pushed out of the market. In many countries, large numbers of domestic manufacturers have turned into assemblers and traders of ICT products, or have seen a reduction in the domestic content of ICT goods. Developing countries could give an advantage to their producers if they excluded their ICT markets until their domestic industries become competitive internationally, thus also providing avenues for higher domestic investment in production.

**Any negotiations on goods should focus on expanding the potential for decent jobs, which the proposed ITA-II does not.** The claimed benefits of economic growth and potential job creation in ICT manufacturing have failed to materialize for the majority of ITA members. The creation of new industry is essential for the generation of sustainable decent jobs; yet domestic ICT manufacturing, and thus jobs, have been eroded rather than expanded. Where ICT jobs do exist in developing countries, workers have yet to be able to capture a fair share of the alleged gains. Workers in developing countries are often trapped in performing only low value-added processes in the ICT sector, often in export processing zones (EPZs) and special economic zones (SEZs), where workers do not enjoy the right to unionise and collectively bargain or the right to sick leave and social insurance. EPZs and SEZs are isolated production enclaves with few forward and backward linkages. Low taxation and high repatriation of profits further reduce domestic investment in job creation or other development priorities. Negotiations on goods must begin with a focus on decent job creation, to be based on the principles of fairness and equity in order to lift living standards by supporting employment growth, improving social protections and providing for fundamental workers' rights and environmental standards. Expanding the ITA goes in the wrong direction, and would hinder, rather than contribute to, a resolution of the global jobs crisis.

**An expanded ITA will likely benefit Transnational Corporations (TNCs) in countries with advanced technological development, particularly given patent monopolies and the lack of technology transfer.** A small number of TNCs from developed countries reap the largest benefits from the intellect-intensive processes of technological design and marketing. The domination of the global ICT sector by a few corporations poses threats to the utilization of technology to address developmental concerns of developing countries and LDCs. In many countries the effects of mass production have not benefitted consumers and users of technology due to the oligopolistic market settings. Patents on technologies account for the largest part of value added, and have increased disproportionately compared to other industry sectors in both developed and developing top-trading

ITA participants. Although several global ICT producers have invested in research and development in developing countries, these countries have enjoyed very limited technology transfer, and consequently have seen only marginal increases in their value added and in employment.

**Developing countries should not accept delinking tariffs and Non-Tariff Barriers (NTBs) in any negotiations.** The ITA brought tariffs to zero in 76 countries; unfortunately, the significant amount of NTBs, especially in the form of national standards and regulation, remained unaddressed. The issue of NTBs has exposed inherent weaknesses in the WTO system and the lopsided negotiation process dominated by a few developed countries, even in the plurilateral talks. While there has been much interest in tariff elimination in the ITA and in the proposed ITA-II, there has been no corresponding interest among the leading ITA members to address NTBs – even though three in four NTBs notified to the WTO are implemented in developed countries. The current status of NTBs effectively restricts developing countries' exports to developed countries, except if developing countries are well-integrated in global production chains owned and operated by developed countries' corporations. Negotiating parties should strike the right balance in NTBs so as to ensure high-quality products on the one hand and facilitate access to developed markets on the other.

**Governments considering engaging in ITA-II negotiations must conduct impact assessments so as to be able to make decisions based on research and assessment rather than unproven claims.** It is rather appalling that after 15 years of the ITA, a comprehensive impact assessment has yet to be conducted. Prior to commencing in negotiations to expand the ITA, governments should conduct a comprehensive assessment of the existing agreement's impact on the environment and on economic and social development, particularly regarding employment in the ICT sector. They should then examine the potential expansion of the agreement in light of financial market weaknesses and instability; a persisting jobs crisis; growing inequalities; and other major challenges. The decision of countries as to whether or not to participate in ITA-II negotiations should be based on actual and projected social, economic and developmental impacts rather than mere claims about the benefits of ITA or ITA-II.

**Assessments must take into account the losses of government revenue from tariff reductions.** Developing countries are more likely to use tariffs than subsidies in their protection of domestic industries. The reduction of tariffs to zero on ITA-included products by 2005 thus affected developing countries more than developed countries. In addition to impacting levels of employment, tariff elimination reduces revenues which the government could have used for spending on other important developmental activities, such as health care, education, and infrastructure. For some LDCs, tariffs constitute significant source of revenue for the national budget. Therefore countries should take this into account into their consideration of whether to participate in ITA expansion negotiations.

**Developing countries, and particularly LDCs, can enjoy market access benefits on a non-reciprocal basis if they do not join the ITA-II.** Signatories to the ITA are mandated to extend the benefits of tariff elimination to all WTO members on a Most Favoured Nation (MFN) basis. Therefore, countries that are not yet competitive in ICT manufacturing can already benefit from market access of other participating member, without having to join the agreement. LDCs already enjoy preferential access to most major markets, and would not gain more by joining the ITA-II.

**National security issues should be taken into account.** As some products included in the proposed in ITA-II are used in armed forces and intelligence, some countries have raised concerns with regard to national security. The agreement should leave ample space for countries to deal with these issues as they deem appropriate.

**Any negotiations should be transparent and accessible.** Negotiations with such major implications as the ITA-II should be transparent and accessible by civil society and interest groups so as to increase the probability of a fair, inclusive and relevant agreement for all. In addition, making trade inclusive has been stated as a global goal in several international fora, and should be built into the negotiations process of any international or plurilateral agreement.

Sincerely,

## **International**

1. Arab NGO Network for Development (ANND)
2. International Trade Union Confederation (ITUC)
3. IndustriALL Global Union
4. ACP Civil Society Forum
5. Dignity International
6. IBON
7. International Grail Global Justice Network
8. International Union of Food workers (IUF-UITA-IUL)
9. UNI Global Union (UNI)

## **Africa**

### **Egypt**

10. Egyptian Initiative for Personal Rights, Egypt

### **Mauritius**

11. Mauritius Council of Social Service (MACOSS), Mauritius

### **Rest of Africa**

12. Fórum das Organizações Não Governamentais Angolanas – (FONGA), Angola
13. Groupe de Recherche et d'Action pour la Promotion de l'Agriculture et du Développement (GRAPAD), Benin
14. Botswana Council of Non-Governmental Organisations (BOCONGO), Botswana
15. Civil Society Organization Network for Development (RESOCIDE), Burkina Faso
16. Cadre de concertation des OSC pour le suivi du CSLP (CdC/CSLP), Burkina Faso
17. Action Développement et Intégration Régionale (ADIR), Burundi
18. Conseil des ONG Agrées Du Cameroun (CONGAC), Cameroon
19. Association Commerciale, Agricole, Industriel et du Service (ACAISA), Cape Verde
20. Conseil Inter-ONG en Centrafrique (CIONGCA), Central African Republic
21. CILONG, Chad
22. Alliance pour la Reconstruction et le Development Post Confit (ARDPC), Cote D'Ivoire
23. Forum des ONG pour le Développement Durable (FONGDD), Equatorial Guinea
24. PANE & Cotonou Task Force, Ethiopia
25. Concertation Nationale Des Organisations paysannes et des Producteurs (CNOP), Gabon
26. Agricultural Workers Union of TUC, Ghana
27. Ghana Trade and Livelihood Coalition (GTLC), Ghana
28. Instituto Nacional de Estudos e Pesquisa (INEI), Guinea Bisau
29. Federation de Femmes Entreprenuers et Affaires de la CEDEAO (FEFA), Guinea (Conakry)
30. National Council of NGOs, Kenya
31. Economic Justice Network Lesotho (EJNL), Lesotho

32. Consumers Protection Association (CPA), Lesotho
33. Lesotho Council of NGOs (LCN), Lesotho
34. Policy Analysis and Research Institute of Lesotho (PARIL), Lesotho
35. The Call for Africa Development (CAD), Lesotho
36. African Women Association (AWA), Liberia
37. Plate-Forme Nationale des Organisations de la Societe Civile de Madagascar, Madagascar
38. Malawi Economic Justice Network (national NGO platform), Malawi
39. ASRAD, Mali
40. Foundation pour le Developpment au Sahel (FDS), Mali
41. Jeunesse Union Africaine du Mali (JUA-Mali), Mali
42. National Forum for Mozambiquan NGOs and CBOs (TEIA), Mozambique
43. Namibia Non-Governmental Organisations Forum Trust, Namibia
44. National du Réseau des Ong de Développement et Associations de Défense des Droits de l'Homme et de la Démocratie (RODADDHD), Niger
45. National Association of Nigerian Traders (NANTS), Nigeria
46. Conseil National des ONG de Développement (CNONGD), RD Congo
47. Conseil de Concertation des ONGs de Développement (CCOD), Congo Brazzaville
48. Rwanda Civil Society Platform, Rwanda
49. Plate-forme des acteurs non étatiques pour le suivi de l'Accord de Cotonou au Sénégal, Senegal
50. Seychelles Civil Society Organisations (Liaison Unit of the non-governmental organisations of Seychelles - LUNGOS), Seychelles
51. Civil Society Movement, Sierra Leone
52. South African NGO Council (SANGOCO), South Africa
53. Forum das ONG de São Tomé e Príncipe (FONG-STP), St Thomas and Principe
54. Somali Organisation for Community Development Activities (SOCDA), Somalia
55. Council for NGOs (CANGO), Swaziland
56. Tanzania Association of NGOs, Tanzania
57. World View, The Gambia
58. Groupe d'Action et de Reflexion sur l'Environnement et le Développement (GARED), Togo
59. Consumer Education Trust, Uganda
60. Zambia Council for Social Development, Zambia
61. National Association of NGOs (NANGO), Zimbabwe

## Americas

### Canada

62. Council of Canadians
63. Centrale des syndicats démocratiques (CSD)

### El Salvador

64. Red Accion de Ciudadana Frente al Libre Comercio e Inversion, SINTI TECHAN

### Dominican Republic

65. Alianza ONG

## **Guatemala**

66. Union Sindical de Trabajadores de Guatemala (UNSI TRAGUA), Guatemala

## **Panama**

67. Confederación de Trabajadores de la Republica de Panamá (CTRP), Panamá

## **Peru**

68. Central Autónoma de Trabajadores del Perú

## **Rest of Americas**

69. The Gilbert Agricultural and Rural Development Centre (GARDC), Antigua and Barbuda
70. Confederación General del Trabajo de la República Argentina, Argentina
71. Foro Latinoamericano del Trabajo, la Innivacion e Integración (FLATI), Argentina
72. Civil Society Bahamas, Bahamas
73. National Congress of Trade Unions Bahamas (NCTUB), Bahamas
74. Barbados Association of Non Governmental Organizations, Barbados
75. Belize Enterprise for Sustainable Technology, Belize
76. Sociedad Económica de Amigos del País, Cuba
77. Kalingo Carib Council, Dominica
78. Inter-Agency Group of Development Organizations (IAGDO), Grenada
79. Grenada National Organisation of Women, Grenada
80. Women Across Differences (WAD), Guyana
81. Programme de Plaidoyer Pour une Intégration Alternative (PPIA), Haiti
82. 3rd ACP Civil Society Forum, Jamaica
83. Bia'lii, Asesoría e Investigación, A.C. Mexico
84. Grupo Tacuba, Mexico
85. Marco Velazquez, Profesor Universidad Autónoma de la Ciudad de México
86. Iyanola Council for the Advancement of Rastafari Incorporated (ICAR), St. Lucia
87. Windward Islands Farmers' Association (WINFA), St. Vincent & the Grenadines
88. Stichting Projekta, Suriname
89. Grassroots Organisations of Trinidad & Tobago (GOTT), Trinidad & Tobago
90. Instituto del Tercer Mundo, Uruguay

## **Asia Pacific**

91. Pax Romana-ICMICA Asia

## **Australia**

92. Australian Council of Trade Unions (ACTU)
93. Australian Fair Trade and Investment Network (AFTINET)

## **Hong Kong**

94. Asia Monitor Resource Centre (AMRC)

## **India**

95. Andhra Pradesh Vyavasaya Vruthidarula Union (APVVU)
96. Bharatiya Krishak Samaj - Indian Farmers' Organisation (BKS)
97. Cividep, Workers' Rights and Corporate Accountability
98. Intercultural Resources
99. IT for Change
100. Jagriti- The Awareness (JTA)
101. National Adivasi Alliance
102. National Agricultural Workers Forum (NAWF)
103. National Center for Labour

## **Indonesia**

104. Confederation of Indonesia Prosperous Trade Unions (KSBSI)
105. Institute for Global Justice (IKG)
106. Resistance and Alternatives to Globalization (RAG)

## **Philippines**

107. Alliance of Progressive Labor (APL), Philippines
108. Center of United and Progressive Workers - Sentro ng mga Nagkakaisa at Progresibong Manggagawa (SENTRO)
109. Confederation of Labor and Allied Social Services (CLASS), Philippines
110. Initiatives for Dialogue and Empowerment through Alternative Legal Services (IDEALS)
111. Mission for Victims of Human Trafficking
112. Overseas Filipino Workers and their Family
113. Promotion of Church People's Response
114. The United Methodist Church-Philippines
115. Workers Assistance Center, Inc.

## **Thailand**

116. AIDS ACCESS Foundation
117. Alternative Agricultural Network
118. Drug Study Group
119. Drug System Monitoring and Development Program
120. Ecological Alert and Recovery – Thailand (EARTH)
121. Foundation for AIDS Rights
122. Foundation for Consumers
123. FTA Watch
124. Health and Development Foundation
125. Health Consumers Protection Program
126. People's Health System Movement
127. Rural Doctor Society

- 128. Rural Pharmacists Foundation
- 129. Social Pharmacy Research Unit, Chulalongkorn University
- 130. Thai Labour Solidarity Committee (TLSC)
- 131. Thai Holistic Health Foundation
- 132. Thai NGO Coalition on AIDS
- 133. The Thai Network of People living with HIV/AIDS (TNP+)

### **Malaysia**

- 134. Malaysians Against Death Penalty and Torture (MADPET)
- 135. Workers Hub For Change (WH4C)

### **New Zealand**

- 136. New Zealand Council of Trade Unions

### **Rest of Asia**

- 137. Cooperation for Peace and Development (CPD), Afganistan
- 138. Cook Islands Association of Non-Governmental Organisations (CIANGO), Cook Islands
- 139. Pacific Network on Globalisation, Fiji
- 140. Kiribati Association of Non-Governmental Organisation (KANGO), Kiribati
- 141. Marshall Islands Council of NGOs (MICNGOS), Marshall Islands
- 142. FSM Alliance of NGOs (FANGO), Micronesia
- 143. Nauru Island Association of NGOs (NIANGO), Nauru
- 144. Global South Initiative, Nepal
- 145. Niue Island (Umbrella) Association of NGOs (NIUANGO), Niue
- 146. Social Alternatives for Community Empowerment, Haripur, Pakistan
- 147. Melanesian NGO Centre for Leadership (MNCL), Papua New Guinea
- 148. Samoa Umbrella for Non-Governmental Organisations (SUNGO), Samoa
- 149. Development Service Exchange (DSE), Solomon Islands
- 150. The Asia Foundation, Timor Leste
- 151. Civil Society Forum of Tonga (CSFT), Tonga
- 152. Tuvalu Association of NGOs (TANGO), Tuvalu
- 153. Vanuatu Association of NGOs (VANGO), Vanuatu
- 154. Al-Jawf Women Organization For Development, Yemen

## **Europe**

### **European Union**

- 155. European Federation of Public Service Unions (EPSU)

### **Belgium**

- 156. 11.11.11
- 157. Centre national de coopération au développement (CNCD)

### **France**

158. Confédération générale du travail (CGT)

**Ireland**

159. Presentation Justice Network - Ireland

**Italy**

160. Confederazione Generale Italiana del Lavoro (CGIL)

**Spain**

161. Confederación Sindical de Comisiones Obreras (CCOO)

**Switzerland**

162. Godly Global

**UK**

163. Trade Union Congress (TUC)

164. People & Planet

165. Roj Women's Association, UK and Turkey