



## **Global Unions Statement of Priorities for the 9<sup>th</sup> WTO Ministerial Conference (Bali, Indonesia, December 3-6, 2013)**

*“Ministers reaffirm that development is a core element of the WTO's work.”*

Chairman's Concluding Statement, 8th WTO Ministerial Conference

In the wake of the on-going economic crisis brought on in no small measure by the same deregulatory forces that champion trade liberalisation, there is a real opportunity for the global community to re-think existing trade rules and arrangements. World Trade Organisation's (WTO) accords have adversely impacted farmers and workers and they have reduced policy and regulatory space needed to actively promote decent jobs and quality public services. However, 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 rules can help to reduce income inequality, slow climate change and eliminate poverty. WTO Members must take a first step in this direction by honouring the developmental mandate given to the WTO in Doha.

The ITUC and Global Unions have expressed their concerns on different aspects of the negotiations throughout the years<sup>1</sup>.

### ***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.

The international trade union movement urges WTO Members to:

- allow government stockholding programmes for food security purposes in the “green box” provision of the Agriculture Agreement; and to
  - reach such an agreement under an indefinite “peace clause”, until a comprehensive solution is agreed;
  - enable developing countries to make automatic use of the clause in their food security programmes;

<sup>1</sup> <http://www.ituc-csi.org/IMG/pdf/wto- trade union statement-8 dec 2011 final.pdf>

- allow developing countries to use the clause for poverty-reduction, including for those above the per capita poverty base of \$1.25 a day;
- 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;
- amend the tariff-rate quotas (TRQs) regime so as to prohibit their use on products originating in Least Developed Countries (LDCs); and
- reduce developed countries' scheduled export subsidy commitments by 50% by the end of 2013.

## ***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 that responds to the 88 proposals that appeared earlier in the negotiations to make Special and Differential Treatment principles more operational and effective.

The trade union movement urges the developed country WTO Members, among other things, to agree to:

- simplify the Rules of Origin so as to improve access to developed countries’ markets;
- provide unilateral duty-free quota-free access for all LDC products;
- eliminate all cotton subsidies;
- 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.

## ***Trade Facilitation***

Trade Facilitation is not part of the ‘implementation agenda’. It appeared later in the negotiations under the ‘Singapore issues’. Although an Agreement on Trade Facilitation could spur trade, there must be comprehensive understanding of what the Agreement would entail in terms of costs, especially for developing countries and LDCs, as well as the expected results on the balance of payment.

Therefore, the union movement encourages WTO Members to:

- conclude a Trade Facilitation Agreement that is non-binding;
- provide technical assistance and capacity building (TACB) to those developing countries that choose to implement the Agreement. Technical assistance and capacity building should cover costs of implementation in restructuring institutions, human resources redevelopment (trainings), purchasing of new equipment, and experts’ costs for the necessary regulatory reforms;
- accompany the Agreement with the launch of an ambitious programme for infrastructure development for LDCs financed by Aid for Trade finance and grants by the international financial institutions, including the World Bank and regional Development Banks;

- ensure that the investment in infrastructure and the initiation of new shipment and customs procedures will not lead to the creation of private monopolies or privatisation of shipment and customs services, port/airport authorities or highways; and
- guarantee that import facilitation and export facilitation measures are balanced.

## ***Information Technology Agreement (ITA-II)***

A wide coalition of trade unions and civil society organisations from all over the world addressed a letter to the negotiating Members warning that an expanded ITA might lead to the erosion of domestic manufacturing and loss of growth potential in higher value-added segments of information technology manufacturing. Also the ITA-II will likely benefit mainly Transnational Corporations (TNCs) in countries with advanced technological development. Most importantly the authors of the letter underlined that developing countries, and particularly LDCs, should enjoy market access benefits on a non-reciprocal basis even if they do not join the ITA-II.

Trade unions and civil society also called for negotiations on goods to focus on maintaining policy space for industrial development and expanding the potential for decent jobs;

## ***Trade in Services Agreement (TiSA)***

Several WTO Members, mainly from OECD countries, have initiated negotiations for a Trade in Services Agreement 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. The negotiations have justifiably been strongly criticised by developing countries as an affront to multilateralism.

The international trade union movement has serious concerns about how TiSA could undermine the single undertaking mandate of the Doha Round. Services negotiations should be dealt with through the multilateral process of the General Agreement on Trade in Services (GATS). Trade unions are calling governments to:

- completely exclude public services from the scope of an agreement both through a clear and unambiguous general exception, and through the exclusion of all public services and utilities, including education and health care, from any specific commitments; furthermore, coverage of subsidiary levels of government such as regional and local government should be excluded;
- ensure that the agreement does not undermine distribution or provision of public and universally accessible utilities including water and energy, nor restrict the ability of governments to pursue national policy objectives in relation to ownership or regulation of extractive industries;
- uphold regulatory sovereignty to ensure high standards and reject clauses and new disciplines, such as restrictions on domestic regulation, that limit policy space virtually irreversibly;

- guarantee that the liberalisation of trade in services will not facilitate the deregulation of the financial sector, and that it will not subject prudential financial regulations to a necessity test;
- reject provisions on natural presence for the provision of services or provisions on labour migration, which are best determined through the tripartite structures under the International Labour Organisation (ILO);
- include enforceable labour and environmental standards as well as a resourceful capacity building mechanism to facilitate the upward convergence of these standards;
- maintain the domestic ability to promote economic development by excluding government procurement from the scope of the agreement;
- ensure privacy and data security; and
- ensure that the agreement, and its negotiation, is subject to transparent and democratic processes in each country, including in the determination of level and breadth of coverage.

## ***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. For the improvement of respect for labour standards, the Trade Policy Review Mechanism should start taking into account labour standards violations in export sectors in the Reviews of different Members. Moreover, 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/improvement, 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.

Transparent, accessible and democratically accountable negotiations at national and international level are essential if progress is to be made towards greater democracy and inclusion and better global governance.