

Non-Agricultural Market Access Negotiations: Demands and Activities in India

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The NAMA India Campaign

Non Agricultural Market Access (NAMA) negotiations have been ongoing since the Doha ministerial declarations in November 2001. The aim of the negotiations is to reduce and in some cases eliminate industrial tariffs to gain market access for industrial goods. The products or goods covered under NAMA negotiations are essentially industrial as well as non-agricultural natural resources like fisheries, forests, gems and minerals. The significance of NAMA negotiations for India lies in the fact that the sectors covered under NAMA are crucial for the economic and social development in India. These sectors are livelihood source for millions of people.

While there have been mass protests against the trade negotiations on Agreement on Agriculture (AoA) in India, not much attention have been paid to NAMA. Civil Society organizations or Trade Unionists have not evolved a strategy to counter the possible fall out of the trade negotiations in this issue. In this scenario Hind Mazdoor Sabha (HMS) and Centre for Education and Communication (CEC) started its work with the intention to understand and evolve counter strategies to influence the Indian government's position on NAMA negotiations as: It will have far reaching implications on millions of workers in manufacturing sector; the industrial structure will undergo a major change in a more liberalized and competitive environment. Subsequently, in the attempt to be competitive, industry will come out with new strategies to reduce cost of production that will have adverse impact on working conditions and wages. This was evident in case of Garment and Clothing sector where in the post MFA scenario, workers have been severely affected. In addition to that NAMA would also affect the government's policy

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space to promote socially sensitive industries and result in major loss of government revenue through tariff reductions.

The campaign activities on NAMA have focused on pressurising the government not to succumb to the pressure of developed countries and protect the interest of millions of workers in India. It made appeal to the government to consult the issues with the Indian parliament and the stakeholders in India. On time to time trade unions' communication insisted the government of India to maintain the solidarity of developing countries in the NAMA negotiations.

Indian Trade Unions Collaboration on NAMA India Campaign

HMS and CEC has carried out the campaigning activities, with the focus on understanding the impact of NAMA on Indian industry and labour and worked towards a common strategy to address the challenges posed by NAMA negotiations. It also strived to build a strong workers alliance at national level and contribute to this process at international level. In order to inform the Indian trade unions and partners on the issues of developments in NAMA trade negotiations a Google Group (<http://groups.google.co.in/group/namaindia>) was created.

Towards building a common strategy against NAMA negotiations activities of CEC and HMS have brought together central trade unions like All India Trade Union Congress (AITUC), Bharatiya Mazdoor Sabha (BMS), and Centre for Indian Trade Unions (CITU), Trade Union Coordination Committee (TUCC), United Trade Union Centre (UTUC) and The All India United Trade Union Centre (All India UTUC).

HMS played a crucial role in making NAMA and its impact on workers as a major issue of concern for trade unions in India. Subsequently, the issue was included in the agenda of Sponsoring Committee of Indian Trade Unions and charter of demands submitted to the government by the committee. Sponsoring Committee of Indian Trade Unions is the unique body that consist of major central trade unions.

In addition to that other trade unions such as All India Central Council of Trade Unions (AICCTU), and New Trade Union Initiative (NTUI) and trade unions and workers organisations of unorganised sector workers such as National Fish Workers' Forum (NFF), National Forum for Forest people and Forest Workers (NFFPW) have participated in the programmes and activities on NAMA organised by CEC and HMS. Along with them, Indian offices of international trade union organisations such as Public Service International (PSI), Building and Wood Workers International (BWI) and International Metal Workers' Federation (IMF) have participated in the programmes. These programmes and activities have also provided a platform for interactions among Central Trade Unions representing organised workers and trade unions representing unorganised sector workers.

Our efforts in India were well supported by NAMA 11 Trade Unions formed by ITUC. Activities of NAMA 11 Trade Unions were supportive in terms of providing timely inputs of developments in WTO trade negotiations and integrate the national level activities to the International activities. Further NAMA 11 Trade Union's activities provided unique opportunity in bringing national concerns to the international fora and building solidarity of working class among developing countries. It played a crucial role in influencing the decisions of NAMA 11 countries. Following passage provides a brief overview of various activities conducted by CEC and HMS in India.

NAMA India Campaign – Activities since 2006

Our activities on NAMA have begun in the year 2006. Through series of meetings and brain storming among trade unions and workers' organisations, in the context of WTO Mini Ministerial in June 2006, a memorandum was prepared in response to modalities proposed by WTO Committee on NAMA. In June 2006 the memorandum was sent to the Dr. Manmohan Singh, Prime Minister of India and Mr. Kamal Nath, Minister for Commerce and Industry. It was also released to the press. Later this memorandum was updated and over 400 TU representatives signed on it during a national trade union

convention on July 25, 2006 in New Delhi and sent it to the Indian Prime Minister and Minister of Commerce. Following this a larger meeting involving all the trade unions was proposed.

The Trade Unions' memorandum demanded the Indian Government to "protect the interest of Indian Working People or Dump the Doha Round". While acknowledging Indian government's active role in G 20 group, G 77 and NAMA 11 groups, Trade unions expressed its disappointment over the absence of government's initiative to discuss the issues with trade unions and organizations of people who will be affected by the outcomes of NAMA negotiations. Ambitious coefficient proposed by developed countries would force very steep level of tariff reductions upon India and other developing countries, severely impacting on local industries, balance of payments, tariff revenue, policy space and employment, all of which are crucial elements in development and poverty reduction strategies. It pointed out that as around three fourth ($\frac{3}{4}$) of Indian exports are manufacturing goods tariff reductions will have major impact on workers in India. They warned the government that with the coefficient of 15 as proposed in 2006 by US and EU, India would have to make average reduction of 70% in bound tariff rates compared to 20% for industrialised countries.

Trade unions also vehemently opposed the sectoral negotiations that aim to eliminate or harmonize tariffs in labour intensive and crucial sectors in India such as fish and fish products, forest products, textiles and clothing, footwear, autos and related parts, bicycles and related parts, electronics/electrical products, paper products, plastic products, rubber products, metals and metal products. All these sectors form vital source of livelihood and formal and informal employment for millions of people in India. Deep tariff reductions in these sectors will expose large number of small and medium manufacturing enterprises to competitive pressures, which in turn translate into low wages, poor working conditions, employment loss and social insecurity for millions of workers. It expressed concerns that deep tariff reductions might force the government to compromise on its capacity to retain the policy instruments necessary to protect certain sectors, diversify industrial base and create and maintain decent employment.

Given these concerns and the lack of (in fact no) initiatives for impact assessments and accompanying adjustment policies, trade unions and workers organizations called upon the government:

- Not to fall in the trap of linking NAMA to the Agreement on Agriculture (paragraph 24) as suggested in the Hong Kong Ministerial Declaration as the proposals being made by the developed countries are highly disproportionate and against India's interests.
- To ensure that India has flexibility in line-by-line commitments with the option of raising tariff on a selective basis as and when needed for industrial development as policy flexibility is essential for industrial development.
- To desist from making commitments on tariff reduction in environmentally sensitive sectors like fishery and forestry which otherwise jeopardize the sustainable livelihood sources of millions of people.

They also called upon the government to protect and uphold the interests of the developing countries and LDCs by insisting on following points:

- Based on the principle of 'less than full reciprocity', ensure that each developing country applies a tariff reduction in line with its own stage of development. Further reduction in tariffs by developing countries should be a strategic policy decision by an individual country and not a mandatory requirement under the NAMA negotiations.
- Guarantee economic sovereignty of developing countries in negotiations by ensuring that they have the policy space to adopt context specific industrial development strategies and have the flexibility to alter tariffs on due developmental grounds.
- Multilateral and national impact assessments of current proposals on development, the quality and quantity of employment and people living in poverty with the full involvement of trade unions representing workers that will be affected by the outcome. Specific attention should be given to labour-intensive and environmentally sensitive sectors, and gender impact, as

called for in para 16 of the Doha Declaration which states that the modalities should include appropriate studies and capacity-building measures.

With these concerns, trade unions and workers' organizations urged the government of India to approach the NAMA negotiations in a way that will contribute to and not undermine the economic sovereignty and the developmental needs of India and its working population. If not, it is better to dump the Doha Round.

The failure of Hong Kong Ministerial in 2006 was an obvious evidence of asymmetrical power relations in the international arena. It well explain the malevolent intentions of developed countries with their intransigence position on the Agreement on agriculture and NAMA negotiation, where they refused to trim down the protections to agriculture and for industrial goods, while seeking more and more elimination of socially protective trade structures of developing countries. As from January 2007 various efforts were taken by the WTO members to resume the talks and with the expectation of recommencement of WTO trade negotiations in June and July 2007, with the active participation of Hind Mazdoor Sabha (HMS), CEC along with Frederich Ebert Stiftung (FES) India organised a National Trade Union Workshop – “NAMA – What it means to Labour” on June 22-23, 2007 at New Delhi.

At this point of time it was important for the trade unions and civil society organizations to apprise the government on the impact of NAMA negations on the workers. There was a need for effective informed intervention by trade unions and other civil society organizations to make the government not to succumb to the unreasonable demands of the developed countries during the NAMA negotiations.

This national workshop on *NAMA: What it means to Labour* was in the direction to evaluate the pros and cons of NAMA negotiation and will result in actively influencing the Indian government to take positive position for safeguarding the rights and livelihood of millions of workers in India. The critical objective of the workshop was to strengthen

trade union position on NAMA. Various national and other trade unions and unorganized workers' organizations have participated in the workshop.

General Secretary of HMS Bro.Umramol Purohit delivered the opening address of the workshop. Followed by it resource persons and trade unionists made presentations on NAMA issues and trends. Bro. R.A.Mittal, National Secretary of HMS and Bro. Dyvadheenam of IMF – Sub-Regional Representative appraised the gatherings of NAMA debate and discussions at global trade union levels. The second day of the workshop focused on the group work and formalizing the trade unions position on NAMA.

The workshop came out with a “Indian Trade Unions’ Delhi Declaration on NAMA”. The declaration endorsed the content of the memorandum sent by trade unions earlier in June 2006. Further they expressed their solidarity with the NAMA 11 trade unions declaration issued on June 11th 2007 in Geneva.

The Delhi declaration called upon the Government of India to maintain the unity of position of developing countries in NAMA negotiations, in particular the positions in respect of:

- Tariff reduction of developing countries fully in line with their respective level of development;
- principle of less than full reciprocity is respected in all reduction commitments;
- there is no trade off on NAMA against gains in Agriculture;
- tariff reduction commitments do not have any link with ‘real market access’ demands raised by developed countries;
- no commitment is made which is inconsistent with the India’s right to maintain its policy space and the right to development

It called upon the government of India to consult its position in international trade negotiations with the Indian Parliament. In a democratic country like India, it is vital for the Government to obtain consent from the Parliament on its position. It expressed

concerns of trade unions on the absence of initiative from the government of India to consult with Trade Unions and labour organizations, on positions that are being adopted by the government in International trade negotiations and particularly in World Trade Negotiations. The declaration also called upon ITUC to endorse the NAMA 11 trade unions' position.

Later the trade union representatives sent a memorandum in June 2007 with all these concerns and called upon the Government of India to approach NAMA negotiations that will allow the government to maintain its policy space, pursue its developmental objective, enhance and safeguard the employment, working conditions and livelihood of millions of people. If not, no deal in WTO is a better deal.

Government response

In response to the memorandum in a communication to HMS, Ministry of Commerce and Industry stated that “we agree with your view that the selection of Swiss Coefficients must respect the mandate of full reciprocity in reduction commitments and ensure comparability in the ambitions in NAMA and Agriculture”. However it is essential to have a close watch on developments in NAMA negotiations and pressurize the government not to succumb to the pressures of developed countries.

Conclusion

Further in the year 2008 HMS continued to write to the government not to succumb to the pressures of developed countries particularly in the context of India-US nuclear deal and argued in its communications that the yardstick to judge Doha deal should be based on its contribution towards poverty reduction, employment generation, decent working conditions and creation of sustainable livelihood. Along with NAMA 11 trade unions HMS has made various representations to the government as and when its negotiating positions have changed. It has raised the issue in Indian labour conference and various other international fora.

In the year 2009, particularly after Indian elections and in the context of changed international political scenario, trade negotiations in WTO may enter into a decisive pace. According to Mr. Gopal Pillai, Secretary, Department of Commerce in the context of financial crisis, Indian government may adopt a position that “some deal is better than no deal” in forth coming WTO talks in the year 2009. When WTO talks would be resumed, major issue for the Indian government on NAMA negotiations will be coefficients for tariff reductions, the anti-concentration clause and Sectorals. Linking tariff reduction commitments with the flexibilities with anti-concentration clause and Sectorals will be a crucial issue in terms of developmental outcomes for India. Indian government may enter in Sectorals negotiations in few sectors in order to achieve “some deal”. The task for the trade unions in India is enormous at this point time. On the one hand, economic crisis is taking its toll on working class in India. On the other hand the government of India is engaged in free trade negotiations with various developed countries including European Union. At this point of time a deal in WTO with the present modalities will have major impact on workers in India.